The Ontario Securities Commission

OSC Bulletin

March 7, 2003

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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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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 7, 2003

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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Derek Brown	—	DB
Robert W. Davis, FCA	—	RWD
Harold P. Hands	—	HPH
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q.C.	—	HLM
Robert L. Shirriff, Q.C.	—	RLS

SCHEDULED OSC HEARINGS

DATE: TBA **Robert Thomislav Adzija *et al***

s. 127

T. Pratt in attendance for Staff

Panel: TBA

DATE: TBA **First Federal Capital (Canada) Corporation and Monte Morris Friesner**

s. 127

A. Clark in attendance for Staff

Panel: TBA

DATE: TBA **Patrick Fraser Kenyon Pierrepont Lett, Milehouse Investment Management Limited, Pierrepont Trading Inc., BMO Nesbitt Burns Inc.*, John Steven Hawkyard+ and John Craig Dunn**

s. 127

K. Manarin in attendance for Staff

Panel: TBA

* BMO settled Sept. 23/02
\+ TBA

DATE: TBA **ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub**

s. 127

M. Britton in attendance for Staff

Panel: TBA

DATE: TBA	**Jack Banks A.K.A. Jacques Benquesus and Larry Weltman***
	s. 127
	K. Manarin in attendance for Staff
	Panel: PMM/KDA/MTM
	* Larry Weltman settled on January 8, 2003
DATE: TBA	**John Steven Hawkyard**
	s. 127
	K. Manarin in attendance for Staff
	Panel: TBA
March 7, 2003	**Dimethaid Research Inc.**
9:15 a.m.	s. 8
	K. Daniels in attendance for Staff
	Panel: RLS/KDA/RWD
March 31, 2003	**Brian Costello**
10:30 a.m.	s. 127
	H. Corbett in attendance for Staff
	Panel: PMM/KDA/MTM
April 8 to 25, 2003 excluding April 18, 2003.	**Phoenix Research and Trading Corporation, Ronald Mock and Stephen Duthie**
All days at 10:00 a.m. except April 15, 2003 at 2:30 p.m.	s. 127 T. Pratt in attendance for Staff Panel: TBA
April 14, 2003	**Philip Services Corporation (Motion)**
10:00 a.m.	s. 127
	K. Manarin in attendance for Staff
	Panel: TBA
May 6, 2003	**Gregory Hyrniw and Walter Hyrniw**
10:00 a.m.	s. 127
	Y. Chisholm in attendance for Staff
	Panel: TBA
June 3, 2003	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.**
2:00 p.m.	s. 127
	Y. Chisholm in attendance for Staff
	Panel: HLM/MTM

ADJOURNED SINE DIE

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

DJL Capital Corp. and Dennis John Little

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

Global Privacy Management Trust and Robert Cranston

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

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

Philip Services Corporation

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

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

1.3 News Releases

1.3.1 OSC and CVMQ Approve Settlement Agreements Reached with CIBC World Markets Inc.

FOR IMMEDIATE RELEASE
February 27, 2003

THE ONTARIO SECURITIES COMMISSION AND THE QUEBEC SECURITIES COMMISSION APPROVE SETTLEMENT AGREEMENTS REACHED WITH CIBC WORLD MARKETS INC.

TORONTO – The Ontario Securities Commission has approved a settlement agreement reached between Staff of the OSC and CIBC World Markets Inc. The Commission des valeurs mobilières du Québec (CVMQ) also approved a separate settlement agreement reached between Staff of the CVMQ and CIBC World Markets. The agreements were considered today at a joint hearing of the Commissions.

The agreements were reached at the conclusion of a joint investigation of CIBC World Markets' actions by Staffs of the OSC and CVMQ.

In the agreements, CIBC World Markets admits that it failed to make adequate disclosure of its potential conflicts of interest in recommending the purchase of shares of Shoppers Drug Mart Corporation in five equities research reports published between December, 2001 and February, 2002. Specifically, CIBC World Markets failed to adequately disclose that it had acted as lead underwriter in Shoppers' initial public offering of shares in November of 2001, contrary to section 41 of the *Securities Act*. In addition, CIBC World Markets agreed that it had failed to adequately disclose that it held 7,450,000 shares of Shoppers at the time of the research reports, and that Shoppers was indebted to its parent bank, the Canadian Imperial Bank of Commerce, throughout this period.

By way of sanction, CIBC World Markets agreed and the OSC ordered that CIBC World Markets submit to a review of its conflict disclosure practices by an independent expert. The results of this review will be provided to CIBC World Markets and to the OSC, and the OSC may make further orders requiring compliance with the expert's recommendations.

The OSC reprimanded CIBC Word Markets for its conduct, and required it to make a payment of $100,000 towards the costs of the joint investigation of the matter. In approving the settlement agreement, and after reviewing the research reports in question, Commissioner Theresa McLeod stressed the importance of making required disclosure in a type size that is large enough to be easily read by investors, and of separating and highlighting key disclosures, rather than "bury[ing] them in the middle of dense paragraphs" of boilerplate text.

Copies of the Notice of Hearing issued by the OSC, the Statement of Allegations filed by OSC Staff, the Settlement Agreement and the Order made are available at **www.osc.gov.on.ca**.

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1.3.2 Regulators: Insiders Required to Report Equity Monetizations

FOR IMMEDIATE RELEASE
February 28, 2003

REGULATORS: INSIDERS REQUIRED TO REPORT EQUITY MONETIZATIONS

TORONTO – Canadian securities regulators have published for comment a proposed instrument which will clarify that insiders must file insider reports in respect of derivative-based transactions, including equity monetization transactions. If adopted, the proposed instrument will ensure that insider transactions involving derivatives which have a similar effect in economic terms to insider trading activities are fully transparent to the market.

"We became aware that some insiders and their advisers are interpreting the insider trade reporting requirements very narrowly when it comes to equity monetizations," said Paul Moore, Vice-Chair of the Ontario Securities Commission. "While it may be possible to argue that, for technical reasons, these transactions are not covered by the existing insider reporting requirements, these transactions clearly come within the spirit of the insider reporting requirements. We are acting jointly with regulators in other Canadian jurisdictions to ensure that insider activities which involve derivative-based transactions are subject to the insider reporting requirements," he said.

The proposed instrument does not prohibit insiders from entering into monetization transactions. It does, however, require that insiders disclose the existence and material terms of such transactions to the public. In this way, the public can make its own determination as to the significance, if any, of such transactions. If unreported, these transactions shield from public view changes in insiders' true economic positions in their issuers.

The proposed instrument will also require, in certain circumstances, that insiders disclose the existence of monetization arrangements that were entered into before the instrument comes into effect. The instrument will apply to those pre-existing monetization arrangements which continue in force after the effective date of the instrument and which continue to have an impact on an insider's publicly reported holdings.

"If an insider enters into a monetization arrangement before the instrument takes effect, and the insider does not have to disclose the existence of the arrangement, the arrangement may continue to have a material impact on the insider's future insider reports. The market will have no way of knowing whether the insider's reports reflect the insider's true economic position in his or her issuer," added Moore.

Comments on Multilateral Instrument 55-103 (*Insider Reporting for Certain Derivative Transactions*), available on the OSC web site (**www.osc.gov.on.ca**), are requested by May 31, 2003 by the OSC and other Canadian jurisdictions except British Columbia.

The British Columbia Securities Commission has participated in developing the proposed Multilateral Instrument and Companion Policy, but has decided to implement similar requirements by seeking amendments to the British Columbia Securities Act instead. Consequently, British Columbia will not be adopting the Multilateral Instrument and Companion Policy.

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FOR IMMEDIATE RELEASE
February 28, 2003

BACKGROUNDER – EQUITY MONETIZATION REPORTING REQUIREMENTS

Requirements to report insider trades serve a number of functions, including deterring illegal insider trading and increasing market efficiency by providing investors with information concerning the trading activities of insiders of the issuer, and, by inference, the insiders' views of their issuer's prospects.

In recent years, a variety of sophisticated derivative-based financial products have become available which permit investors to dispose, in economic terms, of an equity position in a public company without attracting certain tax and non-tax consequences associated with a conventional sale of such position.

These products, which are sometimes referred to as "equity monetization" products, allow an investor to receive a cash amount similar to proceeds of disposition. At the same time, the investor transfers part or all of the economic risk or return associated with securities, without actually transferring the legal and beneficial ownership of such securities. The term "monetization" generally refers to the conversion of an asset (such as securities) into cash.

The Multilateral Instrument seeks to maintain the integrity of and public confidence in the insider reporting regime by:

- ensuring that insider transactions which have a similar effect in economic terms to insider trading activities are fully transparent to the market;
- ensuring that, where an insider enters into a transaction which satisfies one or more of the policy rationale for insider reporting, the insider is required to file an insider report, even though the transaction may, for technical reasons, fall outside of the existing rules governing insider reporting; and
- reducing uncertainty relating to what arrangements and transactions are subject to an insider reporting requirement and what are not.

Multilateral Instrument 55-103 *Insider Reporting for Certain Derivative Transactions (Equity Monetizations)* reflects a principles-based approach to monetization transactions and ties the obligation to report to the fundamental policy rationale underlying the insider reporting regime. Consequently, if an insider enters into a transaction which satisfies a policy rationale for insider reporting, but for technical reasons it may legitimately be argued that the insider falls outside of the existing insider reporting requirements, the insider will be required to file an insider report unless the insider is otherwise covered by one of the exemptions.

Comments on Multilateral Instrument 55-103 (*Insider Reporting for Certain Derivative Transactions*) are requested by May 31, 2003 by the OSC and other Canadian jurisdictions except British Columbia. The British Columbia Securities Commission has participated in developing the proposed Multilateral Instrument and Companion Policy, but has decided to implement similar requirements by seeking amendments to the British Columbia Securities Act instead. Consequently, British Columbia will not be adopting the Multilateral Instrument and Companion Policy.

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1.3.3 OSC Executive Director Approves Settlement with Corporate Directors over Repeated Late Filings of Financial Statements

FOR IMMEDIATE RELEASE
March 3, 2003

OSC EXECUTIVE DIRECTOR APPROVES SETTLEMENT WITH CORPORATE DIRECTORS OVER REPEATED LATE FILINGS OF FINANCIAL STATEMENTS

TORONTO – On February 28, 2003, Charles Macfarlane, Executive Director, Ontario Securities Commission, approved a settlement agreement reached between Staff of the Commission, Angelo Panza and Camille Ayoub for Panza's and Ayoub's roles in a company's repeated late filings of interim and annual financial statements. Panza and Ayoub were both directors of the Farini Companies Inc., a reporting issuer in Ontario. In addition to serving as directors of Farini, Panza was the company's President, and Ayoub held the office of Secretary.

In the settlement agreement, Panza and Ayoub agree that, in the period between 1995 and present, Farini failed on 11 occasions to file its interim financial statements within the time period required by the *Securities Act*. They also agree that Farini failed to file its annual financial statements within the required time period on 8 occasions.

As officers and directors of Farini, Panza and Ayoub agree that they "authorized, permitted or acquiesced" in these failures. As a result, Panza and Ayoub have undertaken to resign all positions that they currently hold as officer or director of any issuer, and undertake not to assume any such positions for a period of two years.

"Investors expect that companies will comply with their basic requirements, such as meeting filing deadlines," said John Hughes, Manager of the Commission's Continuous Disclosure team. "This decision reflects our willingness to hold individual directors and officers responsible for failures in this area. It further underscores our view of the importance of prompt corporate filings, even by small companies."

The full text of the settlement agreement is available in the Enforcement section of the OSC's website at **www.osc.gov.on.ca**.

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1.3.4 CSA News Release - Securities Regulators Review Public Company MD&A

For Immediate Release
March 5, 2003

SECURITIES REGULATORS REVIEW PUBLIC COMPANY MD&A

Toronto – Canadian securities regulators are reviewing how well publicly-traded companies comply with their management discussion and analysis (MD&A) disclosure requirements. The Canadian Securities Administrators (CSA) review will identify areas where disclosure is deficient or could be improved.

MD&A disclosure rules require that management discuss the dynamics of the business and analyze the financial statements. Coupled with the financial statements, this information should enable readers to fully assess the issuer's performance, position and future prospects.

"Investors are entitled to a clear, transparent discussion and analysis that guides them through the numbers," said Doug Hyndman, Chair of the CSA. "The MD&A should give a reader the ability to see the issuer through the eyes of management. It should provide both a historical and a prospective analysis of the issuer's business."

"Financial statements and MD&A complement one another. The financial statements show investors and other users how funds were raised and spent; the MD&A explains why these transactions occurred and what impact they will have on future operations. The purpose of our review is to make sure companies are providing investors and other users of MD&A with the level of disclosure they're entitled to receive," added Hyndman.

The review will examine how Canadian public companies comply with the MD&A disclosure requirements. Regulators will contact companies to discuss disclosure that falls short of the standards and, for serious deficiencies in compliance, could request that documents be refiled. Following the completion of the reviews, the CSA will publish a notice documenting major deficiencies found in the course of the reviews.

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1-800-361-5072 (Quebec only)
www.cvmq.com

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 MRF 2002 II Limited Partnership - MRRS Decision

Headnote

Issuer exempted from interim financial reporting requirements for first and third quarter of each financial year - issuer also exempted from requirements to file annual information forms and management's discussion and analysis - exemption terminates upon the occurrence of a material change in the business affairs of the Issuer unless the Decision Makers are satisfied that the exemption should continue.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 77, 79 and 80(b)(iii).

Applicable Ontario Rules

OSC Rule 51-501- AIF and MD&A, (2000) 23 OSCB 8365, as am., ss. 1.2(2), 2.1(1), 3.1, 4.1(1), 4.3 and 5.1.
OSC Rule 52-501- Financial Statements, (2000) 23 OSCB 8372, ss. 2.2(2) and 4.1.

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

AND

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

AND

IN THE MATTER OF
MRF 2002 II LIMITED PARTNERSHIP

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the Jurisdictions) has received an application from MRF 2002 II Limited Partnership (the Partnership) for:

1. a decision pursuant to the securities legislation of each of the Jurisdictions (the Legislation) that the requirements contained in the Legislation to file and send to its securityholders (the Limited Partners) its interim financial statements for each of the first and third quarters of each of the Partnership's fiscal years (the First & Third Quarter Interim Financials), shall not apply to the Partnership; and

2. in Ontario and Saskatchewan only, a decision pursuant to the securities legislation of Ontario and Saskatchewan that the requirements to file and send to the Limited Partners, its:

   (a) annual information form (the AIF);

   (b) annual management discussion and analysis of financial condition and results of operations (the Annual MD&A); and

   (c) interim management discussion and analysis of financial condition and results of operations (the Interim MD&A),

   shall not apply to the Partnership.

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

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

1. The Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) on February 12, 2002.

2. The Partnership was formed to invest in certain common shares (Flow-Through Shares) of companies involved primarily in oil and gas, mining or renewable energy exploration and development (Resource Companies).

3. The Partnership will enter into agreements (Resource Agreements) with Resource Companies and under the terms of each Resource Agreement, the Partnership will subscribe for Flow-Through Shares of the Resource Company and the Resource Company will incur and renounce to the Partnership, in amounts equal to the subscription price of the Flow-Through Shares, expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to the Partnership.

4. On November 25, 2002, the Decision Makers, together with the securities regulatory authority or regulator for Manitoba, New Brunswick, Quebec and Prince Edward Island (in which jurisdictions no legislative requirement exists to file first and third quarter interim financial statements), issued a receipt under the System for the prospectus of the Partnership dated November 25, 2002 (the Prospectus) relating to an offering of up to 800,000 units of the Partnership (the Partnership Units).

5. The Prospectus contained disclosure that the Partnership intends to apply for an order from the Decision Makers exempting it from the requirements to file and distribute financial statements of the Partnership in respect of the first and third quarters of each fiscal year of the Partnership and from the requirements to prepare an annual information form and interim and annual management discussion and analysis.

6. The Partnership Units will not be listed or quoted for trading on any stock exchange or market.

7. At the time of purchase or transfer of Partnership Units, each purchaser or transferee consents to the application by the Partnership for an order from the Decision Makers exempting the Partnership from the requirements to file and distribute financial statements of the Partnership in respect of the first and third quarters of each fiscal year of the Partnership and from the requirements to prepare the AIF, the Annual MD&A and the Interim MD&A.

8. On or about January 31, 2005, the Partnership will be liquidated and the Limited Partners will receive their pro rata share of the net assets of the Partnership; and it is the current intention of the general partner of the Partnership to propose prior to the dissolution that the Partnership enter into an agreement with Middlefield Mutual Funds Limited (the Mutual Fund), an open end mutual fund, whereby assets of the Partnership would be exchanged for shares of the Growth Class of the Mutual Fund; and upon dissolution, Limited Partners would then receive their pro rata share of the shares of the Growth Class of the Mutual Fund.

9. Since its formation on February 12, 2002, the Partnership's activities primarily included (i) collecting the subscriptions from the Limited Partners, (ii) investing the available Partnership funds in Flow-Through Shares of Resource Companies, and (iii) incurring expenses to maintain the fund.

10. Unless a material change takes place in the business and affairs of the Partnership, the Limited Partners will obtain adequate financial information concerning the Partnership from the semi-annual financial statements and the annual report containing audited financial statements of the Partnership together with the auditors' report thereon distributed to the Limited Partners and that the Prospectus and the semi-annual financial statements provide sufficient background materials and the explanations necessary for a Limited Partner to understand the Partnership's business, its financial position and its future plans, including dissolution on January 31, 2005.

11. Given the limited range of business activities to be conducted by the Partnership and the nature of the investment of the Limited Partners in the Partnership, the provision by the Partnership of the First and Third Quarter Interim Financials, the AIF, the Annual MD&A and the Interim MD&A will not be of significant benefit to the Limited Partners and may impose a material financial burden on the Partnership.

12. It is disclosed in the Prospectus that the General Partner will apply on behalf of the Partnership for relief from the requirements to send to Limited Partners the First and Third Quarter Interim Financials and from the requirements to prepare the AIF, the Annual MD&A and the Interim MD&A.

13. Each of the Limited Partners has, by subscribing for the units offered by the Partnership in accordance with the Prospectus, agreed to the irrevocable power of attorney contained in Article XIX of the Amended and Restated Limited Partnership Agreement scheduled to the Prospectus and has thereby consented to the making of this application for the exemption requested herein.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirements contained in the Legislation to file and send to the Limited Partners its First & Third Quarter Interim Financials shall not apply to the Partnership provided that this exemption shall terminate upon the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

February 25, 2003.

"H. Lorne Morphy" "Robert L. Shirriff"

THE FURTHER DECISION of the securities regulatory authority or securities regulator in each of

Ontario and Saskatchewan is that the requirements contained in the legislation of Ontario and Saskatchewan to file and send to its Limited Partners its AIF, Annual MD&A and Interim MD&A shall not apply to the Partnership provided that this exemption shall terminate upon the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing.

February 25, 2003.

"John Hughes"

2.1.2 TVX Gold Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer has 18 beneficial security holders, issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
TVX GOLD INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker", and collectively, the "Decision Makers") in each of the Provinces of Alberta, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan (the "Jurisdictions") has received an application (the "Application") from TVX Gold Inc. (the "Filer") for a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer.

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

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

1. The Filer was originally incorporated under the laws of British Columbia on February 18, 1980, was continued under the laws of Ontario on October 31, 1984, was subsequently continued under the *Canada Business Corporations Act* on January 7, 1991 and is the continuing corporation resulting from a January 31, 2003 amalgamation with 4082389 Canada Inc. ("Kinross Subco") under the *Canada Business Corporations Act*.

2. The head office of the Filer is in the Province of Ontario.

3. The Filer is a reporting issuer in all of the provinces and territories of Canada and is not in default of any of any requirements of the Legislation.

4. The Filer is principally engaged in the acquisition, financing, exploration, development and operation of precious and base mining properties, and holds interests in operating mines located in Canada, Brazil, Chile and Greece as well as interests in other exploration and development properties.

5. On January 31, 2003, Kinross Gold Corporation ("Kinross"), Echo Bay Mines Ltd. ("Echo Bay"), Kinross Subco and the Filer completed a plan of arrangement (the "Arrangement") under the *Canada Business Corporations Act* for the purpose of combining the ownership of their respective businesses.

6. On January 31, 2003, the Filer and a subsidiary of the Filer completed a separate transaction with a subsidiary of Newmont Mining Corporation ("Newmont") pursuant to which the Filer acquired Newmont's approximate 50% non-controlling interest in the TVX Newmont Americas joint venture (the "Newmont Interest") for an aggregate purchase price of US$180 million.

7. The authorized capital of the Filer consists of an unlimited number of common shares, of which 43,352,050 common shares were issued and outstanding as of January 31, 2003, prior to the Arrangement becoming effective.

8. Pursuant to the Arrangement, the Filer amalgamated with Kinross Subco, a newly formed, wholly-owned subsidiary of Kinross, and each holder of common shares of the Filer received 2.1667 common shares of Kinross for each common share of the Filer and each holder of stock options and warrants of the Filer became entitled to receive 2.1667 common shares of Kinross upon the exercise of each such option or warrant.

9. The common shares of the Filer were delisted from the Toronto Stock Exchange on February 6, 2003 and from the New York Stock Exchange on February 3, 2003. The Filer does not have any of its securities listed or quoted on any exchange or market.

10. As a result of the completion of the Arrangement and the purchase of the Newmont Interest, Kinross owns all of the outstanding common shares of the Filer and also owns, indirectly, all of the Newmont Americas joint venture.

11. The common shares of Kinross are listed on both the Toronto Stock Exchange and the New York Stock Exchange.

12. The Filer has options ("Options") outstanding to acquire 1,497,671 common shares of Kinross and warrants ("Warrants") outstanding to acquire 17,334 common shares of Kinross.

13. The Filer currently has 16 beneficial holders of Options in Canada, of which two are resident in the Province of Alberta, six are resident in the Province of Manitoba, eight are resident in the Province of Ontario, and none of which are resident in the Provinces of British Columbia, Saskatchewan, Québec, Nova Scotia or Newfoundland and Labador. The one beneficial holder of Warrants is not resident in Canada.

14. Other than the common shares, the Options and the Warrants, the Filer has no other securities, including debt securities, outstanding.

15. The Filer does not intend to seek public financing by way of an offering of its securities.

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

THE DECISION of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer under the Legislation.

February 27, 2003.

"Heidi Franken"

2.1.3 The Boyd Group Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Tacking relief granted for the seasoning period and for the hold period of control persons after a plan of arrangement. In determining the period of time a fund has been a reporting issuer under sections 2.6 and 2.8 of Multilateral Instrument 45-102: Resale of Securities, the fund may include the period of time the operating company was a reporting issuer prior to the arrangement. In determining the period of time control persons have held units of the fund under section 2.8 of MI 45-102, control persons may include the period of time they held shares of the operating company prior to the arrangement.

Applicable National Instruments

Multilateral Instrument 45-102: Resale of Securities.

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

AND

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

AND

IN THE MATTER OF
THE BOYD GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan and Ontario (the "Jurisdictions") has received an application from The Boyd Group Inc. ("Boyd") and Boyd Group Income Fund (the "Fund") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement under the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to the first trade of certain securities of the Fund acquired by holders thereof in connection with a plan of arrangement (the "Arrangement") under section 185 of The Corporations Act (Manitoba) (the "MCA") involving Boyd, the Fund, Boyd Fund Limited ("Fund Subco"), Boyd Group Holdings Inc. ("Amalco Holdco"), 4612094 Manitoba Inc. ("Management Holdco") and the holders of Boyd's securities ("Boyd Securityholders");

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

AND WHEREAS Boyd has represented to the Decision Makers that:

(a) Boyd is a corporation incorporated under the laws of the Province of Manitoba, is a reporting issuer (or the equivalent thereof) in each of the Provinces of Manitoba and Ontario and, to the best of its knowledge, is not in default of any of the requirements of the MSA or the *Securities Act* (Ontario).

(b) Boyd's authorized share capital consists of an unlimited number of Class A Shares of Boyd ("Boyd Class A Shares"), an unlimited number of Class B voting shares, an unlimited number of Class C non-voting redeemable preferred shares, 100 Class D voting shares ("Boyd Class D Shares") and an unlimited number of Class E voting cumulative redeemable convertible shares ("Boyd Class E Shares"), of which 14,737,002 Boyd Class A Shares, 100 Class D voting shares and 2,125,000 Boyd Class E Shares are issued and outstanding as of January 16, 2003. The Boyd Class A Shares, the Boyd Class D Shares and the Boyd Class E Shares are sometimes collectively hereinafter referred to as the "Boyd Voting Shares".

(c) Boyd owns and operates, either directly or through subsidiaries, automotive collision repair centres in Canada and the United States. The principal names under which Boyd carries on business in Canada are "Boyd Autobody and Glass", "Boyd Autobody", "Imperial Collision" and "Service Collision Repair Centres".

(d) The Fund is an open-ended mutual fund trust governed by the laws of the Province of Manitoba created pursuant to a declaration of trust. The Fund was established for the purposes, among other things, of investing in securities of Fund Subco and Amalco (New Boyd). The unitholders of the Fund ("Unitholders") will be its sole beneficiaries.

(e) Following the Arrangement, the Fund will own all of the issued and outstanding Class I Shares of Amalco ("Amalco Class I Shares") and all of the promissory notes issued by Fund Subco ("Fund Subco Notes"). Amalco Holdco will own all of the issued and outstanding Class II Shares of Amalco ("Amalco Class II Shares").

(f) Amalco Holdco was incorporated under the MCA for purposes of participating in the Arrangement and will own, upon completion of the Arrangement, a minority economic interest in Amalco (New Boyd) through its ownership of all of the Amalco Class II Shares. Amalco Holdco will, subject to applicable legal and contractual requirements, distribute its income on a monthly basis to its shareholders by way of a dividend on the Amalco Holdco Common Shares.

(g) Fund Subco is a wholly-owned subsidiary of the Fund and was incorporated under the MCA for purposes of participating in the Arrangement, including creating and issuing the Common Shares of Fund Subco ("Fund Subco Common Shares") and the Fund Subco Notes required for implementing the Arrangement. Pursuant to the Arrangement, Fund Subco will amalgamate with Boyd to form Amalco and continue under the name "The Boyd Group Inc.".

(h) Management Holdco was incorporated by the Management Group (as hereinafter defined) under the MCA for purposes of participating in the Arrangement, including holding a minority interest in the Class A Common Shares of Amalco Holdco ("Amalco Holdco Class A Common Shares").

(i) The Arrangement will be carried out under section 185 of the MCA. On December 17, 2002, Boyd obtained, under section 185 of the MCA, an interim order (the "Interim Order") from the Manitoba Court of Queen's Bench (the "Court") which order specifies, among other things, certain procedures and requirements to be followed in connection with the calling and holding of a special meeting of holders (collectively, "Shareholders") of Boyd Class A Shares, Class D Shares of Boyd, Boyd Class E Shares, options ("Options") to acquire Boyd Class A Shares and debentures ("Debentures") convertible into Boyd Class A Shares, to consider the Arrangement (the "Meeting") and the completion of the Arrangement.

(j) Boyd caused the Circular to be mailed to the Shareholders holding shares through intermediaries on or about December 24, 2002 and filed the Circular on SEDAR on or about that same date. Boyd caused the Circular to be mailed to the balance of Shareholders on December 31, 2002.

(k) The Circular contains prospectus-level disclosure of the business and affairs of Boyd, the Fund, Fund Subco, Amalco Holdco and Management Holdco and a detailed description of the Arrangement. The Circular also contains certain historical financial statements of Boyd as well as *pro forma* financial information in respect of the Fund.

(l) The Interim Order requires, among other things, approval by the Shareholders of the Arrangement at the Meeting to be held on January 24, 2003.

(m) Pursuant to the Arrangement, on the effective date of the Arrangement (the "Effective Date"), each of the following events shall occur and shall be deemed to occur in the following sequence without further act or formality:

(i) the note indenture (the "Note Indenture") pursuant to which Fund Subco is authorized to issue the Fund Subco Notes shall be completed to provide for an interest rate under the Note Indenture and the Fund Subco Notes which is the same as the interest rate disclosed for the Note Indenture and the Fund Subco Note by the IPO Prospectus;

(ii) the Boyd Class A Shares will be consolidated in accordance with Articles of Amendment of Boyd;

(iii) those persons who, after December 17, 2002 and prior to the Effective Date, have converted Debentures, will be issued the number of Boyd Class A Shares to which they are respectively entitled as a result of such conversion;

(iv) those persons who, after December 17, 2002 and on or before the last Business Day prior to the Effective Date, have exercised Options by notice and payment of the Option price, will be issued the number of Boyd Class A Shares to which they are entitled as a result of the exercise of such Options;

(v) the Class D Shares of Boyd shall be cancelled and the Boyd Class E Shares shall be converted into Boyd Class A Shares;

(vi) Terry Smith, Brock Bulbuck, Coast to Coast Collision Centres Inc., Farelane Properties Ltd., Coast to Coast Franchise Services Inc. and 2630206 Manitoba Inc. (collectively, the "Management Group") will exchange 15% of the Boyd Class A Shares held by them in the aggregate for Fund Subco Notes in the principal amount determined by multiplying the price (the "IPO Price") at which units of the Fund ("Units") are offered under the initial public offering of the Units (the "IPO") by the number of Boyd Class A Shares for which the Fund Subco Notes are exchanged;

(vii) the members of the Management Group will exchange their remaining Boyd Class A Shares (other than the part to be exchanged by Brock Bulbuck under paragraph (m) below) for common shares of Management Holdco ("Management Holdco Common Shares") on a one for one basis;

(viii) each of the holders of Options ("Optionholders") who is issued Boyd Class A Shares upon the exercise of their

Options, other than Terry Smith and Brock Bulbuck, shall exchange such Boyd Class A Shares for Fund Subco Notes in the principal amount determined for each of them respectively by multiplying the IPO Price by the number of Boyd Class Shares for which the Fund Subco Notes are exchanged;

(ix) all of the holders of Boyd Class A Shares on the Effective Date who did not dissent to the Arrangement, other than the Management Group (collectively, the "Boyd Public Class A Shareholders") shall exchange a certain percentage (as determined by the application of formulae set out in the plan of arrangement) of his, her or its Boyd Class A Shares for Fund Subco Notes in a principal amount determined for each of them respectively by multiplying the IPO Price by the number of Boyd Class A Shares exchanged for the Fund Subco Notes;

(x) Management Holdco shall exchange all of its Boyd Class A Shares and each of the Boyd Public Class A Shareholders shall exchange his, her or its remaining Boyd Class A Shares for Amalco Holdco Class A Common Shares, on a one for one basis;

(xi) Pursuant to the Exchange Agreement, Management Holdco and Boyd Public Class A Shareholders, as holders of Amalco Holdco Class A Common Shares, shall have the right, subject to certain conditions, to retract such shares and receive Units in exchange therefor;

(xii) each member of the Management Group and each of the Boyd Public Class A Shareholders shall exchange the Fund Subco Note to which he, she or it is entitled hereunder for that number of Units determined respectively by dividing the principal amount of the Fund Subco Note by the IPO Price;

(xiii) Bulbuck shall exchange part of his Boyd Class A Shares for Amalco Holdco Class A Common Shares on a one for one basis;

(xiv) the Units shall be retractable at the request of the Unitholders, for retractions having a cash value in excess of $25,000 in a calendar month, in exchange for Fund Subco Notes, Amalco Class I Shares and/or Amalco Holdco Class B Common Shares distributed by the Fund in accordance with the terms and conditions of the Trust Declaration;

(xv) the stated capital of the Boyd Class A Shares shall be reduced to $1,000,000;

(xvi) Boyd and Fund Subco shall amalgamate to form Amalco (the "Amalgamation");

(xvii) as part of the Amalgamation, all shares in the capital of Boyd and Fund Subco shall be cancelled and Amalco shall issue:

A. to the Fund, that number of Amalco Class I Shares equal to the sum of the number of Fund Subco Common Shares held by the Fund and the number of Boyd Class A Shares held by Fund Subco, immediately prior to the Amalgamation; and

B. to Amalco Holdco, that number of Amalco Class II Shares equal to the number of Boyd Class A Shares held by Amalco Holdco immediately prior to the Amalgamation;

(xviii) each outstanding and unexercised Option shall be cancelled;

(xix) the trust indentures under which Debentures have been issued shall be amended by making the Fund a party thereto and changing certain of the provisions thereof to provide the holders of Debentures issued thereunder the right to exchange such Debentures for Units.

(n) All voting shares of Boyd and Options held by persons who validly exercise the rights of dissent provided to them under the Interim Order ("Dissenting Shareholders") shall, if the Dissenting Shareholder is ultimately entitled to be paid the fair value therefor, be deemed to be transferred to the Company on the Effective Date in exchange for such fair value.

(o) Upon completion of the Arrangement, the Fund will be the holder of all of the Fund Subco Notes and all of the Amalco Class I Shares, Amalco Holdco will be the holder of all of the Amalco Class II Shares and the Boyd Public Class A Shareholders and Management Holdco will hold Units and Amalco Holdco Class A Common Shares.

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

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

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

THE DECISION of the Decision Makers under the Legislation is that the Prospectus Requirement shall not apply to the first trade of Units acquired in connection with the Arrangement provided that either: (i) the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102 Resale of Securities ("MI 45-102"); or (ii) the conditions in subsections (2) or (3) of section 2.8 of MI 45-102, as applicable, are satisfied, except that:

(a) for the purposes of determining the period of time that the Fund has been a reporting issuer under sections 2.6 and 2.8 of MI 45-102, the period of time that Boyd was a reporting issuer in at least one of the jurisdictions listed in Appendix B of MI 45-102 immediately before the Arrangement may be included; and

(b) for the purposes of determining the period of time that a Unitholder has held Units under section 2.8 of MI 45-102, the period of time that a Unitholder held Boyd Class A Shares, Boyd Class E Shares, Options or Debentures immediately before the Arrangement may be included.

February 27, 2003.

"Robert W. Korthals" "Derek Brown"

2.1.4 Western Copper Holdings Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application – relief from requirement to file a technical report concurrently with the annual report – technical report to be filed by annual information form deadline.

Applicable Ontario Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 4.2(3) and 9.1.

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

AND

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

AND

IN THE MATTER OF
WESTERN COPPER HOLDINGS LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia and Ontario (the "Jurisdictions") has received an application from Western Copper Holdings Limited (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in section 4.2(3) of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") that a technical report be filed to support information describing mineral projects on a property material to the Filer concurrently with the filing of the Filer's annual report (the "Annual Report") shall not apply to the Filer;

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS the Filer has represented to the Decision Makers:

1. the Filer came into existence under the laws of British Columbia under a Certificate of Incorporation dated July 11, 1984;

2. the Filer is a reporting issuer in each of the Jurisdictions and is not in default of any requirement under the Legislation;

3. the Filer's common shares are listed and posted for trading on The Toronto Stock Exchange;

4. the authorized capital of Western is 100,000,000 common shares without par value, of which 31,923,869 common shares were outstanding as of January 24, 2003;

5. the Filer holds an interest in a material property located in Zacatecas State, Mexico (the "Property");

6. the Filer intends to prepare the Annual Report for mailing to its shareholders on approximately February 12, 2003, at the same time as the Filer mails its information circular and financial statements for the year ended September 30, 2002;

7. the Filer has issued a number of news releases and filed material change reports disclosing the results of the work program on the Property;

8. the disclosure in the news releases and the material change reports was prepared under the supervision of Thomas Patton, a "qualified person" as defined by NI 43-101;

9. the disclosure in the Annual Report will contain no material information which has not previously been disclosed by the Filer in news releases prepared in accordance with NI 43-101;

10. the Filer is preparing an independent technical report (the "Technical Report") relating to the Property which is scheduled to be completed before February 28, 2002;

11. the Filer will file the Technical Report to support disclosure in its annual information form which is required to be filed by March 31, 2003; and

12. the Annual Report will disclose that the Filer has not yet filed the Technical Report to support the disclosure in the Annual Report, that the Technical Report will be filed with the annual information form, and that readers should refer to the Technical Report when it is available (the "Cautionary Language");

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

THE DECISION of the Decision Makers under the Legislation is that the requirement of NI 43-101 that a technical report be filed to support information in the Filer's annual report concurrently with the filing of the Annual Report shall not apply to the Filer provided that:

(a) the disclosure in the Annual Report contains no material information which has not previously been disclosed by the Filer in news releases prepared in accordance with NI 43-101;

(b) the Annual Report includes the Cautionary Language; and

(c) the Filer prepares and files the Technical Report in conjunction with the Filer's annual information form, and in any event no later than March 31, 2003.

February 14, 2003.

"Brenda Leong"

Cautionary Language

The technical disclosure in this annual report has not been supported by a technical report prepared in accordance with National Instrument 43-101. The technical report is being prepared by a qualified person as defined under National Instrument 43-101 and it will be available on Western's website prior to March 31, 2003. Readers are advised to refer to that technical report when it is filed.

2.1.5 Burgundy Asset Management Limited - MRRS Decision

Headnote

Exemption for passive fund-of-fund structure to permit top funds to invest in private bottom fund managed by the same manager.

Statutes Cited

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, ONTARIO, 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
BURGUNDY ASSET MANAGEMENT LIMITED

AND

IN THE MATTER OF
BURGUNDY BALANCED INCOME FUND,
BURGUNDY AMERICAN EQUITY FUND,
BURGUNDY PARTNERS EQUITY RSP FUND,
BURGUNDY FOUNDATION TRUST FUND,
BURGUNDY PARTNERS' RSP FUND,
BURGUNDY PARTNERS' FUND AND
BURGUNDY PENSION TRUST FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authorities (the "Decision Maker") in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") have received an application filed by Burgundy Asset Management Limited ("Burgundy"), on its own behalf and on behalf of the Burgundy Balanced Income Fund, Burgundy American Equity Fund, Burgundy Partners Equity RSP Fund, Burgundy Foundation Trust Fund, Burgundy Partners' RSP Fund, Burgundy Partners' Fund and Burgundy Pension Trust Fund (collectively, the "Top Funds"), for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions in the Legislation (the "Applicable Requirements") shall not apply in connection with the investment by the Top Funds in Burgundy Small Cap Value Fund:

(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 , and

(b) the requirements contained in the Legislation requiring the management company of a mutual fund, or in British Columbia, the 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 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 Burgundy has represented to the Decision Makers as follows:

1. Burgundy is the manager of the Top Funds and also of the Burgundy Canadian Equity Fund, Burgundy Large Cap Canadian Equity Fund, Burgundy Bond Fund, Burgundy Money Market Fund, Burgundy U.S. Money Market Fund, Burgundy European Equity Fund and Burgundy European Foundation Fund (collectively, the "Burgundy Funds).

2. Burgundy is also the manager of several pooled funds including the Burgundy Small Cap Value Fund, Burgundy Japan Fund and Burgundy Smaller Companies Fund (collectively, the "Private Funds").

3. The Top Funds, the Burgundy Funds and the Private Funds (collectively, the "Funds") are under common management.

4. The head office of Burgundy is located in Ontario.

5. Each of the Funds is an open-ended unit trust established by a Trust Agreement. The distribution of units of each of the Funds, other than the Private Funds, is effected with a simplified prospectus dated July 8, 2002 (the "2002 Prospectus") in the Jurisdiction in order to become a reporting issuer under the Legislation and is not in default of any requirement of the Legislation or the rules and regulations made thereunder.

6. Units of the Private Fund may be sold on an exempt basis in the Jurisdiction.

7. As manager of the Top Funds, Burgundy determines the different asset classes that the Top Funds should either be invested in or have exposure to, in order to achieve the Top Fund's investment objectives. Given the relative size of the Top Funds, Burgundy believes that investing in units of Burgundy Funds and/or the Private Funds, which have acquired or will acquire such asset classes for their portfolios, would be a more efficient way of investing the assets of the Top Funds. The Burgundy Funds and/or the Private Funds become the vehicle through which the funds of investors in the Top Funds are gathered and invested in different but appropriate asset classes, which would provide the Top Funds the diversification they need at lower transaction costs. In accordance with orders obtained from each of the Jurisdictions, Burgundy has caused each of the Top Funds to invest specified percentages of its net assets in units of one or more of the Burgundy Funds and/or Private Funds, other than Burgundy Small Cap Value Fund, listed in the 2002 Prospectus.

8. Burgundy only sells units of the Funds and the Private Funds to clients, including Burgundy employees and their spouses (the "Burgundy Employees"), who have entered into investment management agreements that give Burgundy discretionary authority to invest the clients' money. Excepting Burgundy employees, Burgundy only accepts clients who place a minimum amount (individually or together with accounts of immediate family members) in a Burgundy account. The minimum account size has changed over time and is currently $3,000,000. There is no minimum account size for clients who are Burgundy Employees. The Funds are not sold by any other dealer.

9. The Burgundy Small Cap Value Fund (the “Underlying Fund”) is an open-ended mutual fund established under the laws of the Province of Ontario by a Trust Agreement. The Underlying Fund is not a reporting issuer under the Legislation. However, the Underlying Fund complies with National Instrument 81-102 Mutual Funds (“NI 81-102”), other than in respect of incentive fees charged directly to investors, which do not comply with section 7.1 thereof. The incentive fee currently charged by the Underlying Fund has previously been negotiated with the direct investors in the Underlying Fund.

10. Units of the Underlying Fund are sold on an exempt basis.

11. In order to achieve its investment objective, each Top Fund will invest fixed percentages (the "Fixed Percentages") of its assets (exclusive of cash and cash equivalents), as specified in the simplified prospectus of the Top Funds, in the securities of the Underlying Fund, subject to a variation of 2.5 percent above or below the Fixed Percentages (the "Permitted Ranges") to account for market fluctuations.

12. Currently, the Burgundy Partners’ Fund intends to invest 4% of its net assets in the Underlying Fund.

13. The simplified prospectus for each Top Fund (the “Prospectus”) 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.

14. 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.

15. In the absence of this Decision, Legislation requires Burgundy to file a report on every purchase or sale of securities of the Underlying Fund by a Top Fund.

16. The investment of the Top Funds in the Burgundy Small Cap Value Fund represents the business judgment of "responsible persons" (as defined in the Legislation), uninfluenced by considerations other than the best interests of the Top Funds.

17. The Top Funds received similar prior relief dated June 28, 2000 to invest in Burgundy Japan Fund and Burgundy Smaller Companies Fund.

18. The Canadian Securities Administrators have published for comment amendments to NI 81-102 which among other things, deal with matters in section 2.5 of NI 81-102 (the “Fund-of-Fund Amendments”). Such proposals continue the prohibition in clause 2.5(1)(c) which excludes investment by a top fund in a private fund. The Fund-of-Fund Amendments also provide that all prior exemption orders shall be deemed revoked effective one year from the date the Fund-of-Fund Amendments come into force.

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

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements do not apply so as to prevent the Top Funds from making and holding an investment in securities of the Underlying Fund or so as to require Burgundy to file a report relating to the purchase and sale of such securities;

PROVIDED THAT IN RESPECT OF:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the coming into force of any legislation or rule of that Decision Maker dealing with matters in section 2.5 of NI 81-102;

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in the Underlying Fund, the following conditions are satisfied:

   (a) the Top Funds and the Underlying Fund are under common management;

   (b) the securities of the Top 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;

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

   (d) the Prospectus discloses the intent of the Top Funds to invest in securities of the Underlying Fund, the name of the Underlying Fund, the investment objective and investment strategies of the Underlying Fund, the risks associated with investment in the Underlying Fund, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary and discloses that it also incorporates by reference the financial statements of the Underlying Fund;

   (e) the Underlying Fund will at all times be in compliance with NI 81-102, except section 7.1 thereof in respect of incentive fees charged directly to investors other than the Top Fund;

   (f) the only investors in the Top Fund will be clients, including Burgundy employees and their spouses (the "Burgundy Employees") who:

      i) have entered into investment management agreements that give Burgundy discretionary authority to invest the clients' money; and

      ii) placed a minimum amount, currently $3,000,000 (individually or together with accounts of immediate family members) in a Burgundy account, except for Burgundy Employees;

   (g) the Funds are not sold by any other dealer;

   (h) the Underlying Fund will not charge an incentive fee to the Top Fund;

   (i) the investment objective of the Top Fund discloses that the Top Fund invests in securities of other mutual funds;

   (j) the Underlying Fund is not a mutual fund whose investment objective includes investing directly or indirectly in other mutual funds;

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

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

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

   (n) if an investment by a Top Fund in the Underlying Fund 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;

   (o) if the Fixed Percentages and the Underlying Fund which are disclosed in the Prospectus have been 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 change, and the securityholders of the Top Fund have been given at least 60 days' notice of the change;

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

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

(r) no redemption fees or other charges will be charged by an Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;

(s) 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 a Top Fund's purchase, holding or redemption of the securities of the Underlying Fund;

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

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

(v) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Fund and received by a 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;

(w) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, security holders of a Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Fund in the financial statements of the Top Fund; and

(x) security holders of the Top Fund may obtain, upon request, a copy of the offering memorandum of the Underlying Fund and the annual and semi-annual financial statements of the Underlying Fund.

March 3, 2003.

"Robert W. Korthals" "Robert L. Shirriff"

2.1.6 Logix Asset Management Inc. - MRRS Decision

Headnote

Investment by Top Funds in securities of Underlying Funds under common management for specified purpose exempted from the reporting requirements and self-dealing prohibitions of clauses 111(2)(b), 111(3) and clauses 117(1)(a) and (d).

Statutes Cited

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

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

AND

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

AND

IN THE MATTER OF
LOGIX ASSET MANAGEMENT INC.

AND

LOGIX CANADIAN EQUITY FUND
LOGIX U.S. EQUITY FUND
LOGIX U.S. EQUITY RSP FUND
LOGIX GLOBAL BOND FUND
LOGIX INTERNATIONAL EQUITY FUND
AND
LOGIX SHORT TERM INVESTMENT FUND
(the "Short Term Fund")
(collectively, the "New Top Funds")

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the provinces of British Columbia, Alberta and Ontario (collectively, the "Jurisdictions") has received an application from Logix Asset Management Inc. ("Logix" or the "Manager") in its own capacity and on behalf of the New Top Funds and other mutual funds established and managed by Logix after the date of this Decision (as defined herein) that have as their investment objective the investment of substantially all of their assets in securities of one or more mutual funds (the "Future Top Funds", which together with the New Top Funds are collectively referred to as the "Top Funds") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to a Top Fund or Logix, as the case may be, in respect of certain investments to be made from time to time by a Top Fund in securities of selected prospectus-qualified mutual funds (the "Underlying Funds", as described in paragraph 4 below):

(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; and

(b) 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 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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 - *Definitions*;

AND WHEREAS Logix has represented to the Decision Makers that:

1. Logix is a corporation incorporated under the laws of Ontario and is or will be the manager and trustee of the Top Funds. The head office of Logix is located in Toronto, Ontario.

2. The Top Funds are or will be open-ended mutual fund trusts established under the laws of the Province of Ontario.

3. The securities of each of the Top Funds and Underlying Funds (as described in paragraph 4 below) are or will be qualified for distribution in all the Jurisdictions pursuant to simplified prospectuses and annual information forms filed with and accepted by the Decision Makers, and accordingly are or will be reporting issuers in the Jurisdictions. The Top Funds will not be in default of any of the requirements of the Legislation.

4. Each Top Fund will invest substantially all of its assets, other than cash or cash equivalents, in securities of one or more Underlying Funds. The Short Term Fund will invest substantially all of its assets in securities of a single Underlying Fund (the "Specified Underlying Fund"). The Underlying Funds will represent a selection of mutual funds

managed by prominent Canadian mutual fund managers (the "Third Party Fund Managers"), not affiliated with the Manager, who are considered to excel in particular investment niches. Third Party Fund Managers are chosen on the basis of their investment style, their choice of portfolio sub-advisers, the performance of their portfolios and their risk control, among other factors.

5. The Underlying Fund or Funds in which a Top Fund invests will be mutual funds whose investment objectives are compatible with those of the Top Fund.

6. The Underlying Funds will not invest in any other mutual funds (other than index participation units) whose investment objectives include investing directly or indirectly in other mutual funds.

7. In order to achieve its fundamental investment objective, each Top Fund (other than the Short Term Fund) will invest fixed percentages (collectively, "Fixed Percentages", individually, a "Fixed Percentage") of its assets, excluding cash and cash equivalents, directly in securities of the Underlying Funds, subject to a variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") resulting from market fluctuations and, in respect of certain Top Funds, subject to compliance with restrictions in the *Income Tax Act* (Canada) (the "Tax Act") relating to holdings of foreign property.

8. The simplified prospectus of each Top Fund (other than the Short Term Fund) will disclose the investment objectives and risks of the Top Fund and the Underlying Funds, the names of the Underlying Funds, the manager of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which the Fixed Percentages may vary.

9. The simplified prospectus of the Short Term Fund will disclose the manager of the Specified Underlying Fund, the name of the Specified Underlying Fund, that the Short Term Fund will invest substantially all of its assets in securities of the Specified Underlying Fund, and will include the investment objectives, investment strategies, risks and restrictions and top ten holdings of the Specified Underlying Fund.

10. If a Fixed Percentage or an Underlying Fund (other than the Specified Underlying Fund) that is disclosed in the simplified prospectus has been changed, the Manager will provide 60 days' prior written notice to security holders of the Top Fund and the simplified prospectus will be amended or a new simplified prospectus will be filed with the Decision Makers in the Jurisdictions to reflect the change.

11. The Specified Underlying Fund in which the Short Term Fund invests will not be changed unless the prior approval of security holders has been obtained. A new prospectus or an amended prospectus will be filed with the Decision Makers forthwith disclosing the change of the Specified Underlying Fund.

12. The investments by a Top Fund in securities of the Underlying Fund or Underlying Funds represent the business judgement of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Fund.

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

14. In the absence of this Decision, pursuant to the Legislation, each Top Fund is 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 each Top Fund would be required to divest itself of any such investments.

15. In the absence of the Decision, the Legislation requires Logix to file a report on every purchase or sale of securities of an Underlying Fund by a Top Fund.

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

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

THE DECISION of the Decision Makers under the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from making and holding an investment in securities of the Underlying Funds or to require Logix to file a report relating to the purchase or sale of such securities;

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 section 2.5 of NI 81-102.

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Fund or Underlying Funds, the following conditions are satisfied:

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

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

   (c) the simplified prospectus discloses the intent of the Top Fund (other than the Short Term Fund) to invest in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;

   (d) the simplified prospectus of the Short Term Fund discloses the name of the Specified Underlying Fund and the name of its portfolio adviser, the investment objectives, investment strategies, and top ten holdings of the Specified Underlying Fund, and the risks associated with investing in the Specified Underlying Fund;

   (e) the investment objective of the Top Fund (other than the Short Term Fund) discloses that the Top Fund invests in securities of other mutual funds;

   (f) the investment objective of the Short Term Fund discloses that the Short Term Fund invests in securities of a mutual fund and the name of the Specified Underlying Fund;

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

   (h) the Top Fund (other than the Short Term Fund) invests substantially all of its assets, exclusive of cash and cash equivalents, in securities of the Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus;

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

   (j) subject to condition (l), any deviation from the Fixed Percentages is caused by market fluctuations only;

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

   (l) if, due to the foreign property investment limitations under the Tax Act, the Top Fund was precluded from purchasing additional securities or re-instating the Fixed Percentages in order to comply with condition (k), or the Top Fund was re-balanced in order to comply with those foreign property investment limitations and such re-balancing required the Top Fund to temporarily deviate beyond the Permitted Ranges, the Top Fund complied with condition (k) as soon as it was possible to do so in compliance with those foreign property investment limitations;

   (m) if the Fixed Percentages or the Underlying Funds which are disclosed in the simplified prospectus of the Top Fund (other than the Short Term Fund) have been changed, either the simplified prospectus has been amended or a new simplified prospectus has been filed to reflect the change and the security holders of the Top Fund (other than the Short Term Fund) have been given at least 60 days' notice of the change;

   (n) if the Specified Underlying Fund disclosed in the simplified prospectus of the Short Term Fund has been changed, security holders of the Short Term Fund have given prior approval and the simplified prospectus has been amended or a new simplified prospectus filed to reflect the change;

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

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

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

(r) 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;

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

(t) 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;

(u) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Fund (other than regular business conducted at an annual meeting of an Underlying Fund that is a mutual fund corporation) 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 Funds except to the extent the security holders of the Top Fund have directed;

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

(w) 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 security holders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

February 28, 2003.

"Robert W. Korthals" "Robert L. Shirriff"

2.1.7 Northwest Mutual Funds Inc. et al. - MRRS Decision

Headnote

Exemption from the requirement to deliver comparative annual financial statements for certain year-end dates to registered securityholders of certain mutual funds.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., ss. 79 and 80(b)(iii).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, 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
THE FUNDS LISTED IN SCHEDULE "A"
(the "Funds")

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador (the "Jurisdictions") has received an application (the "Application") from Northwest Mutual Funds Inc., MD Funds Management Inc., MD Private Trust Company and BMO Investments Inc. (collectively the "Managers") and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") for relief from the requirement to deliver an annual report, where applicable and comparative annual financial statements of the Funds to certain securityholders of the Funds unless they have requested to receive them;

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, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

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

(a) The Funds are either open-ended mutual fund trusts or separate classes of mutual fund corporations governed by the laws of a Jurisdiction.

(b) Each Manager acts as manager of the Funds set out in Schedule "A" and, in the case of its Funds which are trusts, unless otherwise indicated on Schedule "A", it is the trustee of such Funds.

(c) The Funds are reporting issuers in each of the Jurisdictions.

(d) Securities of the Funds are presently offered for sale on a continuous basis in provinces and territories of Canada pursuant to a simplified prospectus.

(e) Each of the Funds is required to deliver annually, within 140 days of its financial year-end, to each holder of its securities ("Securityholders"), an annual report, where applicable and comparative financial statements in the prescribed form pursuant to the Legislation.

(f) Each Manager will send to Securityholders who hold securities of the Funds in client name (whether or not the Manager is the dealer) (the "Direct Securityholders") in each year, a notice advising them that they will not receive the annual report, where applicable and annual financial statements of the Funds for the year then ended unless they request same, and providing them with a request form to send back, by fax or prepaid mail, if they wish to receive the annual report and annual financial statements. The notice will advise the Direct Securityholders where the annual report and annual financial statements can be found on the websites listed in Schedule "A" (including on the SEDAR website) and downloaded. Each Manager would send such annual report and financial statements to any Direct Securityholder who requests them in response to such notice or who subsequently requests them.

(g) Securityholders who hold their securities in the Funds through a nominee will be dealt with pursuant to National Instrument 54-101.

(h) Securityholders will be able to access annual reports and annual financial statements of the Funds either on the SEDAR website or on the relevant website of the Manager or by calling the Manager's toll-free phone line listed in

Schedule "A". Top ten holdings which are updated on a periodic basis as listed in Schedule "A" will also be accessible to Securityholders on each Manager's website or by calling the Manager's toll-free line.

(i) There would be substantial cost savings if the Funds are not required to print and mail annual reports, where applicable and annual financial statements to those Direct Securityholders who do not want them.

(j) The Canadian Securities Administrators ("CSA") have published for comment proposed National Instrument 81-106 ("NI 81-106") which, among other things, would permit a Fund not to deliver annual financial statements to those of its Securityholders who do not request them, if the Funds provide each Securityholder with a request form under which the Securityholder may request, at no cost to the Securityholder, to receive the mutual fund's annual financial statements for that financial year.

(k) NI 81-106 would also require a Fund to have a toll-free telephone number for or accept collect calls from persons or companies that want to receive a copy of, among other things, the annual financial statements of the Fund.

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

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

AND WHEREAS the Decision Makers are satisfied that making the Decision will not adversely affect the rule-making process with respect to proposed National Instrument 81-106 and is consistent with National Instrument 54-101;

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

(i) the Funds; and

(ii) mutual funds created subsequent to the date of the application, January 27, 2003, that are offered by way of simplified prospectus and managed by the Manager,

shall not be required to deliver their annual report, where applicable and comparative annual financial statements for the year ended December 31, 2002, or for such other year-end date specified in Schedule "A", to their Direct Securityholders other than those Direct Securityholders who have requested to receive them provided that:

(a) the Managers shall file on SEDAR, under the annual financial statements category, confirmation of mailing of the request forms that have been sent to the Direct Securityholders as described in clause (f) of the representations within 90 days of mailing the request forms;

(b) the Managers shall file on SEDAR, under the annual financial statements category, information regarding the number and percentage of requests for annual reports and annual financial statements made by the return of the request forms, on a province-by-province basis within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;

(c) the Managers shall record the number and summary of complaints received from Direct Securityholders about not receiving the annual report and annual financial statements and shall file on SEDAR, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;

(d) the Managers shall, if possible, measure the number of "hits" on the annual report and annual financial statements of the Funds on the Manager's website and shall file on SEDAR, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing; and

(e) the Managers shall file on SEDAR, under the annual financial statements category, estimates of the cost savings resulting from the granting of this Decision within 90 days of mailing the request forms.

March 4, 2003.

"H. Lorne Morphy" "Robert L. Shirriff"

SCHEDULE "A" to
MRRS DECISION DOCUMENT

LIST OF APPLICANT MANAGERS AND THEIR FUNDS

1. Northwest Mutual Funds Inc.
55 University Avenue
Suite 715
Toronto, Ontario
M5J 2H7

Year End: December 31, 2002
Toll Free: (888) 809-3333
Website: www.northwestfunds.com
Top Ten Holdings: updated bi-monthly

Northwest Money Market Fund
Northwest Balanced Fund
Northwest Growth Fund
Northwest International Fund
Northwest RSP International Fund
Northwest Specialty Equity Fund
Northwest Specialty Resource Fund
Northwest Specialty High Yield Bond Fund

2. MD Funds Management Inc.
1870 Alta Vista Drive
Ottawa, Ontario
K1G 6R7

Year End: December 31, 2002
Toll Free: (800) 267-2332
Website: www.cma.ca
Top Ten Holdings: updated monthly

MD Balanced Fund
MD Bond Fund
MD Bond and Mortgage Fund
MD Dividend Fund
MD Equity Fund
MD Global Bond Fund
MD Global Equity RSP Fund
MD Growth Investments Limited
MD Growth RSP Fund
MD Money Fund
MD Select Fund
MD US Large Cap Growth Fund
MD US Large Cap Growth RSP Fund
MD International Growth Fund
MD International Growth RSP Fund
MD US Large Cap Value Fund
MD US Large Cap Value RSP Fund
MD US Small Cap Growth Fund

3. MD Private Trust Company
1870 Alta Vista Drive
Ottawa, Ontario
K1G 6R7

Year End: December 31, 2002
Toll Free: (800) 267-2332
Website: www.cma.ca
Top Ten Holdings: updated monthly

MDPIM Canadian Equity Pool (formerly MD Canadian Tax Managed Pool) (Class "A" and "Private Trust Class" units)
MDPIM US Equity Pool (formerly MD US Tax Managed Pool) (Class "A" and "Private Trust Class" Units)

4. BMO Investments Inc.
77 King Street West
Suite 4200
Toronto, Ontario
M5K 1J5

or

BMO Investissements Inc.
630 Réné-Lévesque Blvd. W.
1st floor
Montréal, Québec
H3B 1S6

Year End: September 30, 2003
Toll Free: (800) 665-7700 or (888) 636-6376 (in Quebec)
Website: http://www.bmo.com/mutualfunds (in English) or http://www.bmo.com/fonds (en français)
Top Ten Holdings: updated monthly

The Funds have a board of independent trustees (independent directors with respect to the corporate funds), as follows:

Peter Greer Beattie, Q.C.
Toronto, Ontario
Carol Mary Lascelles Gault
Calgary, Alberta

Kenneth Whyte McArthur
Toronto, Ontario

Charles William White, Q.C.
St. John's, Newfoundland

Rafe Jamie Plant
Abercorn, Québec

Louise Vaillancourt-Châtillon
Saint-Lambert, Québec

BMO Security Funds
BMO T-Bill Fund
BMO Money Market Fund
BMO AIR MILES®† Money Market Fund
BMO Premium Money Market Fund

BMO Income Funds
BMO Mortgage Fund
BMO Bond Fund
BMO Monthly Income Fund
BMO Global Bond Fund
BMO International Bond Fund

BMO Growth Funds
BMO Asset Allocation Fund
BMO RSP Global Balanced Fund
BMO Dividend Fund
BMO Equity Index Fund
BMO Equity Fund
BMO RSP U.S. Equity Index Fund
BMO U.S. Growth Fund
BMO U.S. Value Fund
BMO RSP International Index Fund
BMO International Equity Fund
BMO NAFTA Advantage Fund
BMO European Fund
BMO RSP European Fund
BMO Japanese Fund
BMO RSP Japanese Fund

BMO AGGRESSIVE GROWTH FUNDS
BMO Special Equity Fund
BMO U.S. Special Equity Fund
BMO RSP Global Opportunities Fund
BMO RSP Global Financial Services Fund
BMO Resource Fund
BMO Precious Metals Fund
BMO RSP Nasdaq® Index Fund
BMO Global Science & Technology Fund
BMO RSP Global Science & Technology Fund
BMO RSP Global Health Sciences Fund
BMO RSP Global Technology Fund
BMO Emerging Markets Fund
BMO Far East Fund
BMO Latin American Fund

BMO U.S. Dollar Funds
BMO U.S. Dollar Money Market Fund
BMO U.S. Dollar Bond Fund
BMO U.S. Dollar Equity Index Fund

BMO Global Tax Advantage Funds±
BMO Short-Term Income Class
BMO Global Balanced Class
BMO Global Opportunities Class
BMO Global Financial Services Class
BMO Global Health Sciences Class
BMO Global Technology Class

± All funds within this category are part of BMO Global Tax Advantage Funds Inc., a mutual fund corporation

2.2 Orders

2.2.1 CIBC Asset Management Inc. - s. 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 a distribution of units made by an underlying fund (i) issued for hedging purposes to a special purpose trust under an RSP 'clone' fund structure and (ii) on the reinvestment of distributions on such units.

Regulations Cited

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

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

AND

IN THE MATTER OF
FRONTIERS INTERNATIONAL EQUITY POOL
FRONTIERS U.S. EQUITY POOL
RENAISSANCE GLOBAL GROWTH FUND
RENAISSANCE GLOBAL SECTORS FUND
RENAISSANCE GLOBAL TECHNOLOGY FUND
RENAISSANCE GLOBAL VALUE FUND
RENAISSANCE INTERNATIONAL GROWTH FUND
RENAISSANCE TACTICAL ALLOCATION FUND
TALVEST ASIAN FUND
TALVEST CHINA PLUS FUND
TALVEST EUROPEAN FUND
TALVEST GLOBAL EQUITY FUND
TALVEST GLOBAL HEALTH CARE FUND
TALVEST GLOBAL SCIENCE & TECHNOLOGY FUND
TALVEST GLOBAL SMALL CAP FUND
TALVEST GLOBAL MULTI MANAGEMENT FUND
TALVEST GLOBAL RESOURCE FUND
TALVEST INTERNATIONAL EQUITY FUND
TALVEST VALUE LINE U.S. EQUITY FUND

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

UPON the application of CIBC Asset Management Inc. (formerly Talvest Fund Management Inc.) ("**CIBC AM**"), the manager of each of Frontiers International Equity Pool, Frontiers U.S. Equity Pool, Renaissance Global Growth Fund, Renaissance Global Sectors Fund, Renaissance Global Technology Fund, Renaissance Global Value Fund, Renaissance International Growth Fund, Renaissance Tactical Allocation Fund, Talvest Asian Fund, Talvest China Plus Fund, Talvest European Fund, Talvest Global Equity Fund, Talvest Global Health Care Fund, Talvest Global Science & Technology Fund, Talvest Global Small Cap Fund, Talvest Global Multi Management Fund, Talvest Global Resource Fund, Talvest International Equity Fund and Talvest Value Line U.S. Equity Fund (the "**Existing Underlying Funds**") and of other similar funds established by CIBC AM from time to time (collectively, the "**Underlying Funds**") and Frontiers International Equity RSP Pool, Frontiers U.S. Equity RSP Pool, Renaissance Global Growth RSP Fund, Renaissance Global Sectors RSP Fund, Renaissance Global Technology RSP Fund, Renaissance Global Value RSP Fund, Renaissance International Growth RSP Fund, Renaissance Tactical Allocation RSP Fund, Talvest Asian RSP Fund, Talvest China Plus RSP Fund, Talvest European RSP Fund, Talvest Global Equity RSP Fund, Talvest Global Health Care RSP Fund, Talvest Global Science & Technology RSP Fund, Talvest Global Small Cap RSP Fund, Talvest Global Multi Management RSP Fund, Talvest Global Resource RSP Fund, Talvest International Equity RSP Fund and Talvest Value Line U.S. Equity RSP Fund (the "**Existing RSP Funds**") and of other similar funds established by CIBC AM from time to time (collectively, the "**RSP Funds**"), to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to a special purpose trust and on the reinvestment of distributions on such units;

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

AND UPON CIBC AM having represented to the Commission that:

1. CIBC AM is or will be the manager of the RSP Funds and the Underlying Funds. CIBC AM is a corporation established under the laws of Canada, and is a wholly-owned subsidiary of Canadian Imperial Bank of Commerce ("**CIBC**").

2. Each of the RSP Funds and the Underlying Funds is or will be an open-ended mutual fund trust established under the laws of Ontario.

3. Each of the RSP Funds and the Underlying Funds is or will be a reporting issuer. The units of the RSP Funds and the Underlying Funds are or will be qualified for distribution by prospectus. None of the Existing RSP Funds or the Existing Underlying Funds are in default of any requirements of the Act or the securities legislation applicable in each of the provinces and territories of Canada.

4. The primary investment strategy of each of the RSP Funds is or will be to obtain exposure to an Underlying Fund by entering into one or more forward contracts or other derivative instruments with one or more financial institutions (the "**Counterparty**" or "**Counterparties**"), and as part of that investment strategy the RSP Funds may deposit assets (the "**Deposit**") and receives a return on the Deposit which is linked to the performance of the applicable Underlying Fund.

5. At the same time that the Deposit is entered into, the Counterparty will advance the amount of the Deposit to a special purpose trust (the "**SPT**") that is governed by the laws of Ontario and the SPT will issue a note (the "**Note**") to, and will enter into a total return swap (the "**Swap**") with, the Counterparty.

6. The SPT may hedge its obligations under the Swap by investing in units (the "**Hedge Units**") of the applicable Underlying Fund.

7. Applicable securities regulatory approvals for this investment strategy have been obtained.

8. Annually, each of the RSP Funds will be required to pay filing fees to the Commission in respect of the distributions of its units in Ontario pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

9. Annually, each of the Underlying Funds will be required to pay filing fees in respect of certain distributions of its units in Ontario, including the Hedge Units, pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions. Pursuant to orders previously granted by the Commission, the Underlying Funds are exempt from the payment of filing fees in respect of the distribution of its units to the RSP Funds, the distribution of its units to Counterparties under forward contracts entered into by the RSP Funds and the distribution of reinvested units received on account of units held by the RSP Funds or the Counterparties.

10. A duplication of filing fees pursuant to section 14 of Schedule I of the Regulation may result when (a) Hedge Units are distributed and (b) a distribution is paid by an Underlying Fund on the Hedge Units which are reinvested in additional units of the Underlying Fund ("**Reinvested Units**").

AND UPON the Commission being satisfied 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 Hedge Units to the Special Purpose Trust and the distribution of Reinvested Units, provided that each Underlying Fund shall include in its notice filed under subsection 14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Funds of (1) Hedge Units and (2) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this order

February 25, 2003.

"Robert Korthals" "Derek Brown"

2.2.2 Franklin Templeton Investments Corp. and Poonam Thadani - OSC Rule 31-505

Headnote

Decision pursuant to section 4.1 of Ontario Securities Commission Rule 31-505 (the Rule) exempting applicants from the requirement under subsection 1.3(3) of the Rule subject to certain terms and conditions.

Statutes Cited

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

Rules Cited

Ontario Securities Commission Rule 31-505 (1999) 22 O.S.C.B. 731, ss. 1.3(2), ss. 1.3(3), s. 4.1.
Ontario Securities Commission Rule 31-502 (2000) 23 O.S.C.B. 5658.

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

AND

IN THE MATTER OF
FRANKLIN TEMPLETON INVESTMENTS CORP. AND POONAM THADANI

EXEMPTION ORDER
(Rule 31-505)

WHEREAS Franklin Templeton Investments Corp. (FTIC) and Ms Poonam Thadani (Ms Thadani) applied for an exemption pursuant to Part 4.1 of Ontario Securities Commission Rule 31-505 (Rule 31-505) from the requirement under subsection 1.3(3) of Rule 31-505 that Ms Thadani meet certain proficiency requirements under Ontario Securities Commission Rule 31-502 (Rule 31-502) in order for supervisory functions, other than the supervisory functions enumerated in subsection 1.3(2) of Rule 31-505 to be delegated to Ms Thadani by the designated compliance officer of FTIC's Adviser registration (the Application).

AND WHEREAS it has been represented by FTIC and Ms Thadani to the Director that:

1. FTIC is a registered adviser under the Act in the category of investment counsel and portfolio manager;

2. Ms Thadani is Chief Compliance Officer, Canada and is the designated compliance officer of FTIC's Mutual Fund Dealer registration. She has been employed with FTIC since September 1994 and has spent six years in a compliance role. In her current position, she currently oversees all compliance functions relating to FTIC's Mutual Fund Dealer registration. Ms Thadani also assists the designated compliance officer of FTIC's Adviser registration in his compliance functions relating to FTIC's Adviser registration. Accordingly, she is familiar with the policies, procedures and processes necessary to carry out the functions which the designated compliance officer of FTIC's Adviser registration intends on delegating to her. Ms Thadani agrees to fulfill these functions diligently and will report her findings to the designated compliance officer of FTIC's Adviser registration on a regular basis;

3. Ms Thadani received her Law Clerk designation from Ryerson Polytechnic University and has also successfully completed the Canadian Securities Course, Investment Funds Institute of Canada Course and the Officers, Partners and Directors Course;

4. The designated compliance officer of FTIC's Adviser registration will not delegate and Ms Thadani will not assume the supervisory functions enumerated in subsection 1.3(2) of Rule 31-505.

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

NOW THEREFORE, pursuant to Part 4.1 of Rule 31-505, Ms Thadani is exempt from the requirement of subsection 1.3(3) of Rule 31-505 that Ms Thadani meet the proficiency requirements of Rule 31-502 in order for Ms Thadani to be delegated supervisory functions by the designated compliance officer of FTIC's Adviser registration;

PROVIDED THAT:

(A) The designated compliance officer of FTIC's Adviser registration shall not delegate and Ms Thadani shall not assume the supervisory functions enumerated in subsection 1.3(2) of Rule 31-505; and

(B) If the proficiency requirements applicable to compliance officer's delegates of registrants in the categories of investment counsel and portfolio manager are amended, the relief provided for in this Decision will terminate one year following the date such amendment comes into effect, unless the Director determines otherwise.

February 27, 2003.

"David M. Gilkes"

2.2.3 CIBC World Markets Inc. - ss. 127 and 127.1

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

AND

IN THE MATTER OF
CIBC WORLD MARKETS INC.

ORDER
(Section 127 and 127.1)

WHEREAS on January 27, 2003 the Ontario Securities Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990 c.S.5, as amended (the "Act") in respect of CIBC World Markets Inc.;

AND WHEREAS CIBC World Markets entered into a settlement agreement with Staff of the Commission dated February 12, 2003 (the "Settlement Agreement") in which they agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing submissions counsel for CIBC World Markets and from counsel for Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

(1) the Settlement Agreement dated February 12, 2003 attached to this Order is hereby approved;

(2) pursuant to clause 4 of subsection 127(1) of the Act, CIBC World Markets is hereby required to submit to a review of its practices relating to the disclosure of potential conflicts of interest in its equities research reports and to institute such changes as may be ordered by the Commission, in accordance with the procedure outlined in paragraph 49(a) of the Settlement Agreement; and

(3) pursuant to clause 6 of subsection 127(1) of the Act, CIBC World Markets is hereby reprimanded by the Commission.

February 27, 2003.

"Theresa McLeod" "Derek Brown" "Robert Davis"

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

AND

IN THE MATTER OF
CIBC WORLD MARKETS INC.

SETTLEMENT AGREEMENT

I INTRODUCTION

1. In a Notice of Hearing issued January 27, 2003, the Ontario Securities Commission (the "Commission") announced that it proposes to hold a hearing to consider whether, pursuant to sections 127(1) and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make an order:

   (a) approving this agreement;

   (b) requiring that CIBC World Markets Inc. submit to a review of its practices relating to the disclosure of potential conflicts of interest in its equities research reports and institute such changes as may be ordered by the Commission;

   (c) administering a reprimand to CIBC World Markets; and

   (d) requiring CIBC World Markets to make a single payment of $100,000 towards the costs of the joint investigation in this matter, to be allocated between the Commission and the Commission des valeurs mobilières du Quebec ("CVMQ").

II JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission agree to recommend settlement of the proceeding initiated in respect of CIBC World Markets by the Notice of Hearing in accordance with the terms and conditions set out below. CIBC World Markets consents to the making of an order against it in the form attached as Schedule "A" on the basis of the facts set out below.

III STATEMENT OF FACTS

3. CIBC World Markets is a corporation registered with the Commission as an Investment Dealer. It carries on business as an investment dealer in the Province of Ontario, as well as in other provinces of Canada.

4. CIBC World Markets is a wholly-owned subsidiary, and thus an affiliate, of Canadian Imperial Bank of Commerce ("CIBC").

5. Shoppers Drug Mart Corporation is a New Brunswick corporation which operates a chain of drug stores and pharmacies across Canada. Shoppers completed an initial public offering of common shares in November, 2001 (the "IPO").

6. CIBC World Markets acted as the lead underwriter of the IPO. The IPO closed on November 21, 2001.

7. At the time of the IPO, and as disclosed in the IPO prospectus, CIBC Capital (SD Holdings) Inc., an affiliate of CIBC World Markets, held 7,000,000 shares of Shoppers. CIBC World Markets purchased a further 450,000 shares of Shoppers pursuant to the IPO. CIBC World Markets and CIBC Capital continued to hold these shares during the period between November 21, 2001 and February 8, 2002 (the "Material Period").

8. During the Material Period, and as disclosed in the IPO prospectus, Shoppers was indebted to CIBC. The amount of outstanding indebtedness varied from $59.51 million to $67.39 million during the Material Period.

The Research Reports

9. During the Material Period, CIBC World Markets published five equity research reports recommending the purchase of securities of Shoppers. The five reports were dated December 17, 2001, December 18, 2001, December 19, 2001, January 10, 2002 and February 8, 2002 (the "Research Reports"), and were intended for general circulation, being distributed both internally at CIBC World Markets and to its institutional and retail clients located throughout Canada, including the Provinces of Ontario and Quebec, upon request.

10. The Research Reports all stated that shares of Shoppers were rated as a "strong buy".

11. On January 15, 2002, CIBC World Markets published an equity research report concerning shares of Jean Coutu Group Inc., a competitor of Shoppers, and the only other company in this market sector followed by CIBC World Markets analysts. In this report, CIBC World Markets downgraded its rating of the shares of Jean Coutu from a "strong buy" to a "hold".

Failure to Disclose Interests

12. In the Research Reports, CIBC World Markets failed to adequately disclose the full nature of the relationship between itself and its affiliated companies and Shoppers. CIBC World Markets thus failed to adequately disclose the potential conflicts of interest inherent in its recommendation of the purchase of Shoppers shares. Specifically:

    (a) in the Research Reports, CIBC World Markets failed to adequately disclose that it had assumed an underwriting liability to Shoppers during the past 12 months, contrary to section 41 of the Act;

    (b) in the Research Reports, CIBC World Markets failed to adequately disclose that, along with its affiliate, it owned 7,450,000 shares of Shoppers; and

    (c) in the Research Reports, CIBC World Markets did not disclose that Shoppers was indebted to CIBC.

13. The obligation to make full disclosure in the Research Reports was important in a period when CIBC World Markets was changing its recommendation concerning the shares of Shoppers' major competitor.

14. Staff make no allegation of impropriety concerning the formulation of CIBC World Markets' recommendations regarding the purchase of shares of Shoppers or Jean Coutu during the Material Period.

First Report – December 17, 2001

15. In the 46 page research report dated December 17, 2001, CIBC World Markets stated that "CIBC World Markets, or one of its affiliated companies, has performed investment banking services for this company".

16. This report also contained the statement:

    [a] CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial, advisory, investment banking or other services for such company, or have lending or other credit relationships with the same.

17. This report also contained the statement:

    [a] CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

18. The latter two statements were printed in type less legible than that used in the body of the report.

19. These statements failed to adequately disclose the fact that CIBC World Markets had assumed an underwriting liability with respect to securities of Shoppers within the previous twelve months.

20. This report incorrectly stated the number of shares of Shoppers held by CIBC World Markets and its affiliates, disclosing only the 7,000,000 shares held by CIBC Capital.

21. This report did not disclose the fact that Shoppers was indebted to CIBC.

Second Report – December 18, 2001

22. The two page research report dated December 18, 2001 contained the statement:

> [a] CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial, advisory, investment banking or other services for such company, or have lending or other credit relationships with the same.

23. This report also contained the statement :

> [a] CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

24. Both of these statements were printed in type less legible than that used in the body of the report.

25. These statements failed to adequately disclose the fact that CIBC World Markets had assumed an underwriting liability with respect to securities of Shoppers within the previous twelve months.

26. These statements failed to adequately disclose the fact that CIBC World Markets and its affiliates owned 7,450,000 shares of Shoppers.

27. These statements did not disclose the fact that Shoppers was indebted to CIBC.

Third Report – December 19, 2001

28. The four page research report dated December 19, 2001 contained the statement:

> [a] CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial, advisory, investment banking or other services for such company, or have lending or other credit relationships with the same.

29. This report also contained the statement :

> [a] CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

30. Both of these statements were printed in type less legible than that used in the body of the report.

31. These statements failed to adequately disclose the fact that CIBC World Markets had assumed an underwriting liability with respect to securities of Shoppers within the previous twelve months.

32. These statements failed to adequately disclose the fact that CIBC World Markets and its affiliates owned 7,450,000 shares of Shoppers.

33. These statements did not disclose the fact that Shoppers was indebted to CIBC.

Fourth Report – January 10, 2002

34. The five page research report dated January 10, 2002 contained the statement:

> [a] CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial, advisory, investment banking or other services for such company, or have lending or other credit relationships with the same.

35. This report also contained the statement :

> [a] CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

36. Both of these statements were printed in type less legible than that used in the body of the report.

37. These statements failed to adequately disclose the fact that CIBC World Markets had assumed an underwriting liability with respect to securities of Shoppers within the previous twelve months.

38. These statements failed to adequately disclose the fact that CIBC World Markets and its affiliates owned 7,450,000 shares of Shoppers.

39. These statements did not disclose the fact that Shoppers was indebted to CIBC.

Fifth Report – February 8, 2002

40. The six page research report dated February 8, 2002 contained the statement "CIBC World Markets, or one of its affiliated companies, managed or co-managed a public offering for securities for Shoppers Drug Mart within the last three years".

41. This report also contained the statement:

> [a] CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial, advisory, investment banking or other services for such company, or have lending or other credit relationships with the same.

42. This report also contained the statement:

> [a] CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

43. All of these statements were printed in type less legible than that used in the body of the report.

44. These statements failed to adequately disclose the fact that CIBC World Markets had assumed an underwriting liability with respect to securities of Shoppers within the previous twelve months.

45. These statements failed to adequately disclose the fact that CIBC World Markets and its affiliates owned 7,450,000 shares of Shoppers.

46. These statements did not disclose the fact that Shoppers was indebted to CIBC.

Cooperation with Staff

47. CIBC World Markets has cooperated with Staff of the OSC and the CVMQ in the course of the joint investigation of this matter.

IV RESPONDENT'S POSITION

48. CIBC World Markets states that, since the Material Period, it has enacted additional policies and procedures to better ensure disclosure of potential conflicts of interest in its equities research reports.

V TERMS OF SETTLEMENT

49. CIBC World Markets agrees to the following terms of settlement:

(a) the Commission will make an order under subsection 127(1)(4) of the Act requiring CIBC World Markets to submit to a review of its practices relating to the disclosure of potential conflicts of interest in its equities research reports.

The purpose of the review will be to ensure that CIBC World Markets adopts industry best practices with regard to the identification and disclosure of potential conflicts of interest in such reports, including the conflicts of interest identified in section III of this agreement.

The review will be conducted by AssetRisk Advisory at CIBC World Markets' expense. AssetRisk Advisory will identify industry best practices in this area, assess whether CIBC World Markets' current practices meet this standard, and propose improvements, if required.

AssetRisk Advisory will provide a report summarizing its review and recommendations in draft form to both Staff of the Commission and CIBC World Markets. Both Staff and CIBC World Markets will have an opportunity to comment on the report in its draft form. AssetRisk Advisory will then prepare a final report.

The AssetRisk final report will be submitted to the Commission for its approval. Representatives of both CIBC World Markets and Staff will have the opportunity to make representations to the Commission regarding the improvements, if any, proposed in the final report. The Commission may then order CIBC World Markets to implement any or all of the recommended improvements pursuant to section 127(1)(4) of the Act.

If the Commission makes such an order, six months following the date of the order, AssetRisk will conduct a further review of CIBC World Markets' practices to ensure that any required changes have been implemented. This further review will be conducted at CIBC World Markets' expense, and a copy of the resulting report will be provided to CIBC World Markets and to Staff of the Commission.

(b) the Commission will make an order under subsection 127(1)(6) of the Act that CIBC World Markets be reprimanded; and

(c) CIBC World Markets agrees to make a single payment in the amount of $100,000 in respect of a portion of the costs of the joint investigation of this matter.

The proceeds of this payment will be allocated between the Commission and the CVMQ as mutually agreed between the Staffs of the Commission and of the CVMQ.

VI STAFF COMMITMENT

50. If this agreement is approved by the Commission, Staff will not initiate any complaint to the Commission or any other proceeding under the Act, or request that the Commission hold a hearing or issue any other order in respect of the conduct or alleged conduct of CIBC World Markets in relation to the facts set out in section III of this agreement.

VII PROCEDURE FOR APPROVAL OF SETTLEMENT

51. The approval of this agreement shall be sought at a joint public hearing held before the Commission and the CVMQ scheduled for a date to be agreed by Staff and CIBC World Markets (the "Settlement Hearing"), in accordance with the procedures set out in this agreement and the Commission's Rules of Practice.

52. Staff and CIBC World Markets agree that if this agreement is approved by the Commission, it, along with copies of the Research Reports, will constitute the entirety of the evidence to be submitted regarding CIBC World Markets in this matter, and CIBC World Markets agrees to waive its rights to a full hearing and appeal of this matter.

53. Staff and CIBC World Markets agree that if this agreement is approved by the Commission, neither party to this agreement will make any public statement inconsistent with this agreement.

54. If, at the conclusion of the Settlement Hearing, and for any reason whatsoever, this agreement is not approved by the Commission, or an order in the form attached as Schedule "A" is not made by the Commission:

(a) this agreement and all negotiations leading up to it shall be without prejudice to Staff and CIBC World Markets and each of Staff and CIBC World Markets will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Notice of Hearing and Statement of Allegations, unaffected by this agreement or the settlement negotiations; and

(b) CIBC World Markets agrees that it will not, in any proceeding, refer to or rely upon this agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

VIII DISCLOSURE OF AGREEMENT

55. Counsel for Staff or for CIBC World Markets may refer to all or part of this agreement and the Research Reports in the course of the Settlement Hearing. Otherwise, this agreement and its terms will be treated as confidential by both parties until the commencement of the Settlement Hearing.

IX EXECUTION OF SETTLEMENT AGREEMENT

56. This agreement may be signed in one or more counterparts which together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

February 7, 2003.

"Brian Shaw"
CIBC World Markets Inc.
Per: Brian Shaw

"Jacqueline Moss"
CIBC World Markets Inc.
Per: Jacqueline Moss

February 12, 2003.

"Michael Watson"
Staff of the Ontario Securities Commission
Per: Michael Watson

2.2.4 The Farini Companies Inc. et al. - Settlement Agreement

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

AND

**IN THE MATTER OF
THE FARINI COMPANIES INC.
ANGELO PANZA AND CAMILLE AYOUB**

**SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE ONTARIO SECURITIES COMMISSION, ANGELO PANZA AND CAMILLE AYOUB**

I. INTRODUCTION

1. Pursuant to section 5(1) of the "Practice Guidelines – Settlement Procedures in Matters Before the Ontario Securities Commission" of the Ontario Securities Commission Rules of Practice, Staff of the Ontario Securities Commission, Angelo Panza and Camille Ayoub propose to settle the matters described further below.

II STATEMENT OF FACTS

2. The Farini Companies Inc. ("Farini") is an Ontario corporation which manufactured and distributed pasta makers and food products.

3. Farini is a reporting issuer in Ontario whose shares traded on the Canadian Dealers Network until October, 2000.

4. Angelo Panza was, at all material times, the President, Chief Executive Officer and a Director of Farini.

5. Camille M. Ayoub was, at all material times, the Secretary of Farini and has been a Director of Farini since May 20, 1997.

Failure to Meet Financial Statement Filing Requirements

6. During the period between May, 1996 and May, 2002, Farini repeatedly failed to file both interim and audited annual financial statements with the Commission within the time periods prescribed by sections 77 and 78 of the *Securities Act*.

7. In particular, Farini failed on 11 occasions to file its interim financial statements within the time period prescribed by section 77 of the *Securities Act*.

8. Specifically, Farini failed to file:

   (a) its first quarter interim financial statements for the 1998, 1999, 2000, 2001 and 2002 fiscal years;

   (b) its second quarter interim financial statements for the 1998, 2000, 2001 and 2002 fiscal years; and

   (c) its third quarter interim financial statements for the 1998, 1999 and 2000 and 2002 fiscal years

   within the required time period.

9. In addition, Farini failed on 8 occasions to file its annual comparative financial statements within the time period prescribed by section 78 of the *Securities Act*.

10. Specifically, Farini failed to file its annual comparative financial statements for the 1995, 1996, 1997, 1998, 1999, 2000, 2001, and 2002 fiscal years within the required time period.

11. As a result of Farini's failure to file its financial statements in a timely manner, the Commission imposed four cease trade orders on its shares. The Commission's orders to this effect were dated May 28, 1999, July 26, 2000, May 25, 2001 and May 24, 2002.

12. To date, Farini's latest failure to file has not been rectified, and the Commission's cease trade order dated May 24, 2002 remains in effect.

Conduct Contrary to the Public Interest

13. Panza and Ayoub authorized, permitted or acquiesced in Farini's contraventions of sections 77 and 78 of the *Securities Act* and thereby acted in a manner contrary to the public interest.

III POSITION OF PANZA AND AYOUB

14. Panza and Ayoub state that the reason that Farini's financial statements were not filed in a timely manner was that the company did not have sufficient funds to pay its auditors.

IV TERMS OF SETTLEMENT

15. Panza and Ayoub agree to the following terms of settlement:

   (a) Panza and Ayoub undertake to resign their positions as directors and officers of Farini, as well as of any other issuer, by February 28, 2003; and

   (b) Panza and Ayoub undertake not to assume a position or act as a director or officer of any issuer for a period of two years following the date of the Executive Director's consent to this Settlement Agreement.

16. Panza and Ayoub agree that they will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement negotiations or the process of obtaining the Executive Director's consent to this Settlement Agreement as the basis for any attack on the Executive Director or the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

V STAFF COMMITMENT

17. If this Settlement Agreement receives the consent of the Executive Director, Staff will not initiate any other proceeding under the Act against Panza and/or Ayoub in relation to the facts set out in Part II of this Settlement Agreement, subject to the provisions of paragraphs 18 and 23 below.

18. If this Settlement Agreement receives the consent of the Executive Director, and at any subsequent time Panza and/or Ayoub fail to honour the undertakings contained in paragraph 15 of this Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Panza and/or Ayoub based on the facts set out in Part II of the agreement, as well as the breach of the undertakings.

VI APPROVAL OF SETTLEMENT

19. If, for any reason whatsoever, the Executive Director does not consent to this Settlement Agreement:

    (a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Panza and Ayoub leading up to the execution of this Settlement Agreement, shall be without prejudice to Staff and Panza and Ayoub; and

    (b) Staff and Panza and Ayoub shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of these matters before the Commission, unaffected by this Settlement Agreement or the settlement negotiations.

VII DISCLOSURE OF SETTLEMENT AGREEMENT

20. This Settlement Agreement and its terms will be treated as confidential by Staff and Panza and Ayoub until consented to by the Executive Director, and forever, if for any reason whatsoever this settlement is not consented to by the Executive Director, except with the consent of Staff and Panza and Ayoub or as may be required by law.

21. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.

22. Staff and Panza and Ayoub agree that if the Executive Director does consent to this Settlement Agreement, they will not make any public statements inconsistent with this Settlement Agreement.

23. If Panza and/or Ayoub fail to honour the agreement contained in paragraph 22 of this Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Panza and/or Ayoub based on the facts set out in Part II of the agreement, as well as the breach of the agreement.

24. If the Executive Director does consent to this Settlement Agreement, a copy of the Settlement Agreement shall be published in the Ontario Securities Commission Bulletin and posted on the Commission's website.

VIII EXECUTION OF SETTLEMENT AGREEMENT

25. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

26. A facsimile copy of any signature shall be effective as an original signature.

February 16, 2003.

"Angelo Panza"
Angelo Panza

February 25, 2003.

"Camille Ayoub"
Camille M. Ayoub

February 27, 2003.

"Michael Watson"
Staff of the Ontario Securities Commission
Per: Michael Watson

I hereby consent to the settlement of this matter on the terms contained in this Settlement Agreement.

February 28, 2003.

"Charles Macfarlane"
Ontario Securities Commission
Per: Charles Macfarlane

2.2.5 Greenshield Resources Inc. - s. 83

Headnote

Section 83 of the Securities Act - Issuer has only one security holder - Issuer deemed to have ceased being a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

IN THE MATTER OF
GREENSHIELD RESOURCES INC.

ORDER
(Section 83)

UPON the application of Greenshield Resources Inc. (Greenshield) to the Ontario Securities Commission for an order pursuant to section 83 of the Act deeming Greenshield to have ceased to be a reporting issuer.

AND UPON Greenshield having represented to the Commission that:

1. Greenshield is a corporation governed by the Business Corporation Act (Ontario);

2. Greenshield's head office is located in Toronto, Ontario.

3. Greenshield has been a reporting issuer under the Securities Act (Ontario) since 1992 and is not in default of any of the requirements of the Legislation;

4. as a result of an amalgamation of Greenshield Resources Inc. and Providence Resources Inc., all of the issued and outstanding securities of the Greenshield are owned by Greenshield Resources Ltd. (formerly Providence Exploration Corp.);

5. in a separate application to the Commission, Greenshield Resources Ltd. was deemed to be a reporting issuer in Ontario;

6. the common shares of Greenshield Resources Ltd. are listed on the TSX Venture Exchange;

7. the common shares of Greenshield were delisted from trading on the TSX Venture Exchange at the close of markets on November 8, 2002, and there are no securities of Greenshield listed on any stock exchange or traded on any market;

8. other than the common shares, Greenshield has no securities, including debt securities, outstanding; and

9. Greenshield does not intend to seek public financing by way of offering its securities to the public.

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

IT IS HEREBY ORDERED pursuant to section 83 of the Act that Greenshield is deemed to have ceased to be a reporting issuer for the purposes of the Act.

March 4, 2003.

"John Hughes"

2.2.6 The Putnam Advisory Company, LLC - ss. 38(1) of the CFA

Headnote

Relief from the adviser registration requirements of subsection 22(1)(b) of the Commodity Futures Act (Ontario) (CFA) granted to an investment adviser under the U.S. securities law in connection with the proposed advisory services to be provided to a registered commodity trading manager under the CFA for a term of 3 years, subject to certain terms and conditions, pursuant subsection 38(1) of the CFA.

Statutes Cited

Commodity Futures Act, R.S.O. 1990. c. C.20, as am., ss. 22(1)(b), 38(1).
Securities Act, R.S.O. 1990, c. S.5 (as am.) - OSC Rule 35-502 – Non-Resident Advisers (the Rule), s. 7.3.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20 (the CFA)

AND

IN THE MATTER OF
THE PUTNAM ADVISORY COMPANY, LLC

ORDER
(Section 38(1))

UPON the application of The Putnam Advisory Company, LLC (the Applicant) to the Ontario Securities Commission (the Commission) for a ruling pursuant to subsection 38(1) of the CFA to exempt the Applicant and its directors, officers and employees from the requirements of paragraph 22(1)(b) of the CFA in respect of advising certain mutual funds in Ontario regarding trades in commodity futures contracts and related products traded on commodity futures exchanges outside of Canada and cleared through clearing corporations outside of Canada;

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 is a limited liability company organized under the laws of the state of Delaware, with its principal place of business located in Boston, Massachusetts, United States. The Applicant is registered under the *Securities Act* (Ontario) as an international adviser. The Applicant is also registered with the U.S. Securities and Exchange Commission (the SEC) as an investment adviser. Although the Applicant advises on derivative products to clients in the U.S., the Applicant is expressly exempt from registration under the *Commodity Exchange Act* (U.S.) as a commodity trading adviser with the U.S. Commodity Futures Trading Commission (the CFTC).

2. The Applicant is an affiliate of Putnam Investments Inc. (PII).

3. PII is a corporation incorporated under the *Business Corporations Act* (Ontario), and is registered with the Commission as an adviser in the categories of investment counsel and portfolio manager and under the CFA as an adviser in the category of commodity trading manager. PII acts as trustee, manager and portfolio adviser of the Putnam Funds (the Funds), a family of Canadian mutual funds which currently includes the following: Putnam Canadian Balanced Fund; Putnam Canadian Bond Fund; Putnam Canadian Equity Fund; Putnam Canadian Money Market Fund; Putnam Global Equity Fund; Putnam U.S. Value Fund; Putnam U.S. Voyager Fund; and Putnam International Equity Fund. The Applicant currently acts as sub-adviser to PII in respect of the four non-Canadian funds which comprise part of the Funds.

4. The Funds may invest in futures and options on futures traded on organized exchanges outside of Canada and cleared through clearing corporations located outside of Canada and in other derivative instruments traded over the counter (the Derivatives Strategy). In no case will the Derivatives Strategy constitute the primary focus or investment objectives of any of the Funds.

5. The Applicant is proposing to enter into an investment sub-advisory agreement with PII whereby PII would act as the portfolio adviser to the Funds in respect of the Derivatives Strategy, and the Applicant would act as sub-adviser to PII (the Proposed Advisory Services).

6. In connection with the Proposed Advisory Services, the Applicant would comply with the requirements of section 7.3 of Ontario Securities Commission Rule 35-502 and accordingly:

   (a) would enter into a written agreement with PII outlining the duties and obligations of the Applicant;

   (b) PII will contractually agree with the Funds to be responsible for any loss that arises out of the failure of the Applicant to (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of PII and the Funds and (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; and

(c) PII cannot be relieved by the Funds from its responsibility for loss under paragraph 6(b) above.

7. The offering documents for the Funds will disclose that PII is responsible for the investment advice given or portfolio management services provided by the Applicant, that there may be difficulty in enforcing any legal rights against the Applicant because the Applicant is resident outside of Canada and all or a substantial portion of the Applicant's assets are situated outside of Canada, and where applicable, the sub-adviser advising the relevant Funds is not, or will not be registered with the Commission under the CFA, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of units of the Funds.

AND UPON being satisfied that it would not be prejudicial to public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed,

IT IS ORDERED pursuant to subsection 38(1) of the CFA that the Applicant and its directors, officers and employees be exempt from paragraph 22(1)(b) of the CFA in respect of the Proposed Advisory Services provided that:

(a) The obligations and duties of the Applicant are set out in a written agreement with PII;

(b) PII contractually agrees with the Funds to be responsible for any loss that arises out of the failure of the Applicant to (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of PII and the Funds and (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(c) PII cannot be relieved by the Funds from its responsibility for loss under paragraph (b) above;

(d) The offering documents for the Funds disclose that PII is responsible for the investment advice given or portfolio management services provided by the Applicant, that there may be difficulty in enforcing any legal rights against the Applicant because the Applicant is resident outside of Canada and all or a substantial portion of the Applicant's assets are situated outside of Canada, and where applicable, the sub-adviser advising the relevant Funds is not, or will not be registered with the Commission under the CFA, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of units of the Funds;

(e) PII will remain registered as a commodity trading manager under the CFA so long as the Proposed Advisory Services are provided by the Applicant;

(f) The Applicant will continue to be registered under the *Securities Act* (Ontario) as an international adviser and as an investment adviser with the SEC, or is, or will be entitled to rely on appropriate exemptions from such registration or licence and from registration as a commodity trading adviser with the CFTC, pursuant to the applicable legislation of its principal jurisdiction; and

(g) This Order shall terminate three years from the date hereof.

February 28, 2003.

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

2.2.7 Parkway Property Investments - s. 83

Headnote

Section 83 of the Securities Act - Issuer has 15 beneficial holders of the Units - Issuer deemed to have ceased to be a reporting issuer under the Act.

Statutes Cited

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

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

AND

IN THE MATTER OF
PARKWAY PROPERTY INVESTMENTS

ORDER
(Section 83 of the Act)

UPON the application of Parkway Property Investments (Parkway) to the Ontario Securities Commission (the Commission) for an order, pursuant to section 83 of the Act, that Parkway be deemed to have ceased to be a reporting issuer for the purposes of the Act.

AND UPON Parkway having represented to the Commission that:

1. Parkway was formed under the laws of the Province of Ontario on June 14, 1974, pursuant to a co-tenancy arrangement;

2. the issued and outstanding capital of the Parkway consists of 390 units (the Units) of a residential rental property located at 500 Murray Ross Parkway, Toronto, Ontario;

3. Parkway became a reporting issuer under the Act on February 15, 1979;

4. other than failure to file audited financial statements for the periods ended December 31, 1999, December 31, 2000, December 31, 2001and interim financial statements for the periods ended June 30, 2000, June 30, 2001 and June 2002, Parkway is not in default of any requirements under the Act;

5. the Units are not listed or quoted for trading on any stock exchange or market in Canada;

6. as a result of a series of transactions between the security holders of Parkway and a real estate investment trust, effective February 16, 1998, all of the Units are beneficially owned by 15 Unitholders;

7. Parkway has no securities other than the Units and does not intend to make an offering of securities to the public; and

8. the beneficial holders holding 95.4% of the outstanding Units have acknowledged in writing the making of the application to the Commission and confirmed that they do not object to this order being granted.

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

IT IS ORDERED, pursuant to section 83 of the Act, that Parkway be deemed to have ceased to be a reporting issuer under the Act.

March 4, 2003.

“John Hughes”

2.2.8 Oil NT Corp. and BMO Nesbitt Burns Inc. - subcl. 121(2)(a)(ii)

Headnote

Subclause 121(2)(a)(ii) – subdivided offering – relief from section 119 – the prohibition prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds shall not apply to the promoter/agent with respect to certain principal trades with the issuer in securities comprising the issuer's portfolio.

Applicable Ontario Statutes

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

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

AND

IN THE MATTER OF
INTEGRATED OIL NT CORP.

AND

BMO NESBITT BURNS INC.

ORDER
(Subclause 121(2)(a)(ii))

UPON the application of Integrated Oil NT Corp. ("**Integrated Oil**") and BMO Nesbitt Burns Inc. ("**Nesbitt**") to the Ontario Securities Commission (the "**Commission**") pursuant to subclause 121(2)(a)(ii) of the Act for an order exempting Nesbitt from the applicability of section 119 of the Act in connection with the acquisition by Nesbitt, as principal, of certain portfolio securities owned by Integrated Oil in connection with the redemption by Integrated Oil of all of its issued and outstanding capital shares (the "**Capital Shares**") and preferred shares (the "**Preferred Shares**");

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

AND UPON the applicants having represented to the Commission that:

1. Integrated Oil was incorporated under the laws of the Province of Ontario on March 9, 1998.

2. Integrated Oil is a passive "split share" investment company, the purpose of which is to enable investors, through the holding of Capital Shares or Preferred Shares, to satisfy separately the investment objectives of capital appreciation or dividend income with respect to common shares (the "**Portfolio Shares**") of Imperial Oil Limited, Petro-Canada, Shell Canada Limited and Suncor Energy Inc. held by Integrated Oil.

3. Integrated Oil is a reporting issuer within the meaning of the Act and, to the best of its knowledge, is not in default of any requirement of the Act or the regulation or rules made thereunder.

4. Integrated Oil is a mutual fund as defined in subsection 1(1) of the Act.

5. The Capital Shares and the Preferred Shares are listed on The Toronto Stock Exchange Inc. (the "**TSX**").

6. The Portfolio Shares are listed and traded on, among other stock exchanges, the TSX.

7. Nesbitt is the administrator of the ongoing affairs of Integrated Oil under an administration agreement, in respect of which it earns a fee for its services.

8. Nesbitt is registered under the Act as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada and the TSX. A predecessor of Nesbitt, Nesbitt Burns Inc., acted as promoter and as one of the agents in connection with the offering of the Capital Shares and the Preferred Shares to the public pursuant to the prospectus of Integrated Oil dated May 27, 1998 (the "**Prospectus**").

9. Three of the five directors and all of the officers of Integrated Oil are employees of Nesbitt.

10. Nesbitt is not an insider, within the meaning of subsection 1(1) of the Act, of any issuer of the Portfolio Shares.

11. By virtue of Nesbitt's relationship with Integrated Oil, Nesbitt has access to information concerning the investment program of Integrated Oil.

12. In accordance with the articles of Integrated Oil, and consistent with the disclosure in the Prospectus and therefore the expectations of purchaser of the Capital Shares and the Preferred Shares at the time of the initial distribution, the Board of Directors of Integrated Oil proposes to have Integrated Oil redeem all of the Capital Shares and Preferred Shares then outstanding on April 9, 2003.

13. To fund the redemption, Integrated Oil proposes to liquidate its portfolio of Portfolio Shares by:

    (a) selling Portfolio Shares to holders of Capital Shares in accordance with the option described below in paragraph 14; and

(b) selling remaining Portfolio Shares by way of one or more competitive tenders, or otherwise privately, or into the market.

14. As contemplated in the articles of Integrated Oil and the Prospectus, at the request of certain holders of Capital Shares who tender their shares together with a certain cash payment, Integrated Oil will make payment of the amount due on redemption of the Capital Shares by delivering Portfolio Shares (rounded down to the nearest whole share) having a value equal to the redemption price in respect of such Capital Shares and the additional cash payment (the "**Shareholder Purchases**").

15. Integrated Oil proposes to dispose of remaining Portfolio Shares by way of one or more competitive tenders to be supervised by the two independent directors of Integrated Oil, Integrated Oil and its legal counsel and which will involve a request for tenders from Nesbitt and no fewer than two other major investment dealers acting at arm's length to Integrated Oil and Nesbitt (the "**Tender Process**"). Integrated Oil is proposing to dispose of Portfolio Shares by way of Tender Process to ensure that the Portfolio Shares will be disposed of in an orderly fashion so that Integrated Oil may realize the best reasonably available price therefor, and to preclude any artificial reduction in the market price of the Portfolio Shares which may be caused by selling the significant number of Portfolio Shares required to be sold into the market.

16. Participants in each Tender Process will only have one opportunity to bid for the Portfolio Shares and the persons supervising the Tender Process will not, prior to completion of the Tender Process, disclose to any participant the bid price for the Portfolio Shares submitted by the other participants.

17. With price being the sole determining factor, the Portfolio Shares to be sold under each Tender Process will be sold to the participant bidding the highest price (the "**Bid Price**") for such Portfolio Shares. Accordingly, it is possible that the Portfolio Shares may be sold to Nesbitt, as principal (the "**Tender Process Purchases**").

18. In addition to the Shareholder Purchases and the Tender Process, or where such methods are not chosen or available, Integrated Oil also intends to fund redemptions by selling Portfolio Shares to Nesbitt who may purchase such shares as principal (the "**Regular Purchases**", and together with the Tender Process Purchases, the "**Principal Purchases**"), either privately or through the market, provided that the price obtained (net of all transaction costs, if any) by Integrated Oil from Nesbitt is at least as high as the price that is available (net of all transaction costs, if any) through the facilities of the applicable stock exchange at the time of the trade.

19. When making a Principal Purchase, Nesbitt will comply with the rules, procedures and policies of the stock exchanges of which it is a member regarding principal transactions.

20. Any Principal Purchases will be approved by the two independent directors of Integrated Oil.

21. Nesbitt will not receive any commissions from Integrated Oil in connection with Principal Purchases and in carrying out Principal Purchases, Nesbitt will deal fairly, honestly and in good faith with Integrated Oil.

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

IT IS ORDERED, pursuant to subclause 121(2)(a)(ii) of the Act, that Nesbitt is exempt from the applicability of section 119 of the Act in respect of the Principal Purchases, provided that such purchases are made in accordance with paragraphs 14 through 21 herein.

March 4, 2003.

"Paul M. Moore" "Theresa McLeod"

2.3 Rulings

2.3.1 Rev D Networks Inc. and Rev D Networks (US) Inc. - ss. 74(1)

Headnote

Subsection 74(1) – registration and prospectus relief granted regarding trades in shares of non-reporting issuers in connection with corporate reorganization utilizing exchangeable share structure – first trade relief granted in respect of trades in shares of U.S. non-reporting issuer provided a *de minimus* Canadian market at time of first trade and certain other conditions are met.

Statutes Cited

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

Rules Cited

Ontario Securities Commission Rule 45-501 – Exempt Distributions.

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

AND

IN THE MATTER OF
REV D NETWORKS INC.

AND

REV D NETWORKS (US) INC.

RULING
(Subsection 74(1))

UPON the application of Rev D Networks Inc. ("Rev D Canada") and Rev D Networks (US) Inc. ("Rev D") to the Ontario Securities Commission (the "Commission") for a ruling, pursuant to subsection 74(1) of the Act, that certain trades in securities relating to a reorganization and subsequent financing of Rev D Canada and Rev D shall not be subject to section 25 or 53 of the Act.

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

AND UPON Rev D Canada and Rev D having represented to the Commission as follows:

1. In contemplation of a proposed financing by certain investors, Rev D Canada determined that a reorganization of its shareholdings (the "Reorganization") was in the best interests of its shareholders. The Reorganization was completed on December 20, 2002.

2. As part of the Reorganization, Rev D was caused to be incorporated. Rev D is a corporation incorporated under the laws of the State of Delaware.

3. None of the shares of Rev D are listed or posted for trading on any exchange. Rev D is not a reporting issuer in Ontario.

4. The authorized capital of Rev D consists of common stock and preferred stock. Rev D is authorized to issue 24,826,923 shares of common stock, par value $0.000001 per share, and 32,884,615 shares of preferred stock, par value $0.000001 per share. The preferred stock is divided into series. The first series consists of 16,750,000 shares and is designated Series A Preferred Stock ("Series A Preferred Stock"). Shares of Series A Preferred Stock are convertible into shares of common stock of Rev D and carry voting rights equivalent to the voting rights of shares of common stock of Rev D (as well as certain other rights). The second series of Preferred Stock consists of 11,750,000 shares is designated Series A Special Voting Stock ("Series A Special Voting Stock"). Shares of Series A Special Voting Stock are held by holders of Series A Exchangeable Preferred Shares of Rev D Canada (described below) and carry voting rights equivalent to the voting rights of shares of Series A Preferred Stock. The third series consists of 4,384,615 shares is designated Exchangeable Common Share Special Voting Stock ("Exchangeable Common Share Special Voting Stock"). Shares of Exchangeable Common Share Special Voting Stock are held by holders of Exchangeable Common Shares of Rev D Canada (described below) and carry voting rights equivalent to the voting rights of shares of common stock of Rev D.

5. Rev D Canada is a company incorporated under the *Canada Business Corporations Act* (the "CBCA").

6. None of the shares of Rev D Canada are listed or posted for trading on any exchange. Rev D Canada is not a reporting issuer in Ontario.

7. The authorized capital of Rev D Canada consists of an unlimited number of common shares ("Rev D Canada Common Shares") and an unlimited number of preferred shares issuable in series. Immediately prior to the completion of the Reorganization, there were issued and outstanding 1,407,692 Rev D Canada Common Shares. Further, Rev D Canada had 17 shareholders (the "Rev D Canada Shareholders"), all of which were directors, officers or employees of Rev D Canada, except for a trustee (the "Trustee") who held certain Rev D Canada Common Shares in trust for anticipated future employees (the "Transferred Employees"). No

preferred shares of Rev D Canada were issued and outstanding.

8. As required under the CBCA, the Rev D Canada Shareholders approved articles of amendment on December 20, 2002 as follows: (1) the Rev D Canada Shareholders approved the creation of a new class of non-voting exchangeable shares (the "Exchangeable Common Shares") and a new class of special voting shares (the "Rev D Canada Special Voting Shares"); (2) the Rev D Canada Shareholders approved the exchange of each issued and outstanding Rev D Canada Common Share held by the Rev D Canada Shareholders for one Exchangeable Common Share and one Rev D Canada Special Voting Share; and (3) the Rev D Canada Shareholders approved the creation of a new class of non-voting exchangeable preferred shares (the "Series A Exchangeable Preferred Shares").

9. Pursuant to the Reorganization, Rev D Canada Shareholders obtained in exchange for each Rev D Canada Common Share, one Exchangeable Common Share and one Rev D Canada Special Voting Share and were further required to purchase from Rev D, for nominal consideration, one share of Exchangeable Common Share Special Voting Stock for each Exchangeable Common Share received pursuant to the exchange.

10. Immediately following the completion of the Reorganization, the Transferred Employees (nine in total) each received an allotted number of Rev D Canada Common Shares and an equal number of Rev D Canada Special Voting Shares and shares of Exchangeable Common Share Special Voting Stock, which were previously issued to the Trustee and held in trust pending the completion of the Reorganization. The Rev D Canada Shareholders and the Transferred Employees are referred to collectively hereinafter as the "Rev D Founders".

11. The Rev D Founders each received Exchangeable Common Shares, Rev D Canada Special Voting Shares and shares of Exchangeable Common Share Special Voting Stock under existing statutory prospectus and registration exemptions.

12. Certain significant investors providing financing to Rev D Canada (the "Group A Investors") had the choice of receiving either Series A Exchangeable Preferred Shares and an equal number of Rev D Canada Special Voting Shares, or shares of Series A Preferred Stock, as consideration for their investment. All of the Group A Investors were either "accredited investors" within the meaning of Ontario Securities Commission Rule 45-501 ("OSC Rule 45-501") or otherwise exempt under the securities legislation of the jurisdiction in which they are resident. A Group A Investor who elected to receive Series A Exchangeable Preferred Shares was also required to purchase from Rev D, for nominal consideration, one share of Series A Special Voting Stock for each Series A Exchangeable Preferred Share received. A Group A Investor who elected to receive shares of Series A Preferred Stock was also required to purchase from Rev D Canada, for nominal consideration, one Rev D Canada Special Voting Share for each Series A Exchangeable Preferred Share received.

13. Certain other significant investors in Rev D Canada (the "Group B Investors") received Exchangeable Common Shares and an equal number of Rev D Canada Special Voting Shares, and/or Series A Exchangeable Preferred Shares and an equal number of Rev D Canada Special Voting Shares, in satisfaction, or partial satisfaction, of debts owed to such Group B Investors for property transferred to Rev D Canada. Group B Investors were required to purchase from Rev D for nominal consideration, one share of Exchangeable Common Share Special Voting Stock for each Exchangeable Common Share received or one share of Series A Special Voting Stock for each Series A Exchangeable Preferred Share received (as applicable). All investors comprising the Group B Investors were "accredited investors" within the meaning of OSC Rule 45-501.

14. As part of the Reorganization, Rev D subscribed for one Rev D Canada Common Share. Immediately following the completion of the Reorganisation, Rev D owned all of the issued and outstanding Rev D Canada Common Shares.

15. The holders of Exchangeable Common Shares have economic rights which are, as nearly as practicable, equivalent to the holders of shares of common stock of Rev D. This result is achieved by means of a support agreement (the "Support Agreement") entered into between Rev D and Rev D Canada and an exchange agreement (the "Exchange Agreement") entered into between Rev D, Rev D Canada and the holders of Exchangeable Common Shares.

16. Subject to prior rights of the Series A Exchangeable Preferred Shares, the Exchangeable Common Shares rank prior to the Rev D Canada Special Voting Shares and the Rev D Canada Common Shares with respect to the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of Rev D Canada.

17. The rights, privileges, restrictions and conditions attaching to the Exchangeable Common Shares (the "Exchangeable Common Share Provisions") provide that each holder is entitled to receive dividends from Rev D Canada payable at the

same time as, and equivalent to, each dividend paid by Rev D on the shares of common stock of Rev D. Subject to the overriding call right of Rev D or a Canadian subsidiary of Rev D other than Rev D Canada (a "Permitted Subsidiary") described below, on the liquidation, dissolution or winding-up of Rev D Canada, a holder of Exchangeable Common Shares is entitled to receive from Rev D Canada for each Exchangeable Common Share held an amount equal to the current market price of a share of common stock of Rev D, to be satisfied by the delivery of one share of common stock of Rev D, together with all declared and unpaid dividends on each such Exchangeable Common Share held by the holder on any dividend record date prior to the date of liquidation, dissolution or winding-up (such aggregate amount, the "Liquidation Consideration"). Upon a proposed liquidation, dissolution or winding-up of Rev D Canada, Rev D (or Permitted Subsidiary) has an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Common Shares from the holders thereof (other than Rev D or its affiliates) for a price per share equal to the Liquidation Consideration.

18. The Exchangeable Common Shares are non-voting (except as required by the Exchangeable Common Share Provisions or by applicable law) and are retractable at the option of the holder at any time. Subject to the overriding call right of Rev D (or Permitted Subsidiary) described below, upon retraction, the holder is entitled to receive from Rev D Canada for each Exchangeable Common Share retracted an amount equal to the current market price of a share of common stock of Rev D, to be satisfied by the delivery of one share of common stock of Rev D, together with all declared and unpaid dividends on each such retracted Exchangeable Common Share held by the holder on any dividend record date prior to the date of retraction (such aggregate amount, the "Retraction Consideration"). Upon being notified by Rev D Canada of a proposed retraction of Exchangeable Common Shares, Rev D (or Permitted Subsidiary) has an overriding call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Common Shares that are the subject of the retraction notice for a price per share equal to the Retraction Consideration.

19. Subject to the overriding call right of Rev D (or Permitted Subsidiary) described below, Rev D Canada may redeem all the Exchangeable Common Shares then outstanding at any time upon the occurrence of particular events specified in the Exchangeable Common Share Provisions (the "Redemption Date"). The board of directors of Rev D Canada may accelerate the Redemption Date in certain circumstances which are also set out in the Exchangeable Common Share Provisions. Upon such redemption, a holder is entitled to receive from Rev D Canada for each Exchangeable Common Share redeemed an amount equal to the current market price of a share of common stock of Rev D, to be satisfied by the delivery of one share of common stock of Rev D, together with all declared and unpaid dividends on each such redeemed Exchangeable Common Share held by the holder on any dividend record date prior to the date of redemption (such aggregate amount, the "Redemption Consideration"). Upon being notified by Rev D Canada of a proposed redemption of Exchangeable Common Shares, Rev D (or Permitted Subsidiary) has an overriding call right (the "Redemption Call Right") to purchase from the holders all of the outstanding Exchangeable Common Shares (other than Rev D or its affiliates) for a price per share equal to the Redemption Consideration.

20. Under the Exchange Agreement, the holders of Exchangeable Common Shares are provided a holder exchange right (the "Optional Exchange Right"), exercisable upon the insolvency of Rev D Canada, to require Rev D to purchase from the holder all or any part of his or her Exchangeable Common Shares. The purchase price for each Exchangeable Common Share purchased by Rev D is an amount equal to the current market price of a share of common stock of Rev D, to be satisfied by the delivery of one share of common stock of Rev D to the holder, together with an additional amount equivalent to all declared and unpaid dividends on each such Exchangeable Common Share held by such holder on any dividend record date prior to the closing of the purchase and sale.

21. Further, under the Exchange Agreement, upon the liquidation, dissolution or winding-up of Rev D, Rev D is required to purchase all outstanding Exchangeable Common Shares, and each holder of Exchangeable Common Shares is required to sell all of his or her Exchangeable Common Shares (such purchase and sale obligations are hereafter referred to as the "Automatic Exchange Right"), for a purchase price per share equal to the current market price of a share of common stock of Rev D, to be satisfied by the delivery of one share of common stock of Rev D to the holder for each Exchangeable Common Share, together with an additional amount equivalent to all declared and unpaid dividends on each such Exchangeable Common Share held by such holder on any dividend record date prior to the closing of the purchase and sale.

22. The Support Agreement provides that Rev D will not declare or pay any dividend on the shares of common stock of Rev D unless Rev D Canada simultaneously declares and pays an equivalent dividend on the Exchangeable Common Shares,

and that Rev D will ensure that Rev D Canada will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Common Shares under the Exchangeable Common Share Provisions and the related redemption, retraction and liquidation call rights described above.

23. The Support Agreement further provides that, without the prior approval of the holders of the Exchangeable Common Shares, actions such as distributions of stock dividends, options, rights and warrants for the purchase of securities or other assets, subdivisions, reclassifications, reorganizations and other changes cannot be taken in respect of the shares of common stock of Rev D without the same or an economically equivalent action being taken in respect of the Exchangeable Common Shares.

24. Possible future trades in securities relating to the Exchangeable Common Shares and securities received pursuant to the exchange rights attaching to the Exchangeable Common Shares include the following:

(a) the issuance of shares of common stock of Rev D by Rev D (or Permitted Subsidiary, and such trades or transfers between Rev D and Permitted Subsidiary as may be required to carryout the call right obligations described herein) from time to time to enable shares of common stock of Rev D to be delivered to a holder of Exchangeable Common Shares, and the subsequent delivery thereof to such holder, upon: (i) a holder's retraction of Exchangeable Common Shares; (ii) the exercise of the Retraction Call Right; (iii) the redemption of Exchangeable Common Shares by Rev D Canada; (iv) the exercise of the Redemption Call Right; (v) the liquidation, dissolution or winding-up of Rev D Canada; and (vi) the exercise of the Liquidation Call Right;

(b) the transfer of Exchangeable Common Shares by the holder to Rev D Canada upon: (i) the holder's retraction of Exchangeable Common Shares; (ii) the redemption of Exchangeable Common Shares by Rev D Canada; and (iii) the liquidation, dissolution or winding-up of Rev D Canada.

(c) the transfer of Exchangeable Common Shares by the holder to Rev D (or Permitted Subsidiary) upon: (i) the exercise of the Retraction Call Right, (ii) the exercise of the Redemption Call Right; and (iii) the exercise of the Liquidation Call Right;

(d) the transfer of Exchangeable Common Shares by the holder to Rev D upon exercise of the Optional Exchange Right or the occurrence of the Automatic Exchange Right;

(e) the issuance and delivery of shares of common stock of Rev D by Rev D to a holder of Exchangeable Common Shares upon the exercise of the Optional Exchange Right or the Automatic Exchange Right; and

(f) the redemption of Rev D Canada Special Voting Shares by Rev D Canada, and the redemption of shares of Exchangeable Common Share Special Voting Stock by Rev D (collectively, the "Exchangeable Common Share Trades").

25. The holders of Series A Exchangeable Preferred Shares have economic rights which are, as nearly as practicable, equivalent to the holders of shares of Series A Preferred Stock. This result is achieved by means of a support agreement (the "Preferred Share Support Agreement") entered into between Rev D and Rev D Canada and an exchange agreement (the "Preferred Share Exchange Agreement") entered into between Rev D, Rev D Canada and the holders of Series A Exchangeable Preferred Shares.

26. The Series A Exchangeable Preferred Shares, rank prior to the Exchangeable Common Shares, the Rev D Canada Special Voting Shares and the Rev D Canada Common Shares with respect to the payment of dividends and the distribution of assets in the event of a liquidation, dissolution or winding-up of Rev D Canada.

27. The rights, privileges, restrictions and conditions attaching to the Series A Exchangeable Preferred Shares (the "Series A Exchangeable Preferred Share Provisions") provide that each holder is entitled to receive dividends from Rev D Canada payable at the same time as, and equivalent to, each dividend paid by Rev D on the shares of Series A Preferred Stock. Subject to the overriding call right of Rev D (or Permitted Subsidiary) described below, on the liquidation, dissolution or winding-up of Rev D Canada, a holder of Series A Exchangeable Preferred Shares is entitled to receive from Rev D Canada for each Series A Exchangeable Preferred Share held an amount equal to the current market price of a share of Series A Preferred Stock, to be satisfied by the delivery of one share of Series A Preferred Stock, together with all declared and unpaid dividends on each such Series A Exchangeable Preferred Share held by the holder on any dividend record date prior to the date of liquidation, dissolution or winding-up (such aggregate amount, the "Preferred Liquidation

Consideration"). Upon a proposed liquidation, dissolution or winding-up of Rev D Canada, Rev D (or Permitted Subsidiary) has an overriding call right (the "Preferred Liquidation Call Right") to purchase all of the outstanding Series A Exchangeable Preferred Shares from the holders thereof (other than Rev D or its affiliates) for a price per share equal to the Preferred Liquidation Consideration.

28. The Series A Exchangeable Preferred Shares are non-voting (except as required by the Series A Exchangeable Preferred Share Provisions or by applicable law) and are retractable at the option of the holder at any time. Subject to the overriding call right of Rev D (or Permitted Subsidiary) described below, upon retraction the holder is entitled to receive from Rev D Canada for each Series A Exchangeable Preferred Share retracted an amount equal to the current market price of a share of Series A Preferred Stock, to be satisfied by the delivery of one share of Series A Preferred Stock, together with all declared and unpaid dividends on each such retracted Series A Exchangeable Preferred Share held by the holder on any dividend record date prior to the date of retraction (such aggregate amount, the "Preferred Retraction Consideration"). Upon being notified by Rev D Canada of a proposed retraction of Series A Exchangeable Preferred Shares, Rev D (or Permitted Subsidiary) will have an overriding call right (the "Preferred Retraction Call Right") to purchase from the holders all of the Series A Exchangeable Preferred Shares that are the subject of the retraction notice for a price per share equal to the Preferred Retraction Consideration.

29. Subject to the overriding call right of Rev D (or Permitted Subsidiary) described below, Rev D Canada may redeem all the Series A Exchangeable Preferred Shares then outstanding at any time upon the occurrence of particular events specified in the Series A Exchangeable Preferred Share Provisions (the "Preferred Redemption Date"). The board of directors of Rev D Canada may accelerate the Preferred Redemption Date in certain circumstances which are also set out in the Series A Exchangeable Preferred Share Provisions. Upon such redemption, a holder is entitled to receive from Rev D Canada for each Series A Exchangeable Preferred Share redeemed an amount equal to the current market price of a share of Series A Preferred Stock, to be satisfied by the delivery of one share of Series A Preferred Stock, together with all declared and unpaid dividends on each such redeemed Series A Exchangeable Preferred Share held by the holder on any dividend record date prior to the date of redemption (such aggregate amount, the "Preferred Redemption Consideration"). Upon being notified by Rev D Canada of a proposed redemption of Series A Exchangeable Preferred Shares, Rev D (or Permitted Subsidiary) will have an overriding call right (the "Preferred Redemption Call Right") to purchase from the holders of Series A Exchangeable Preferred Shares all of the outstanding Series A Exchangeable Preferred Shares (other than Rev D or its affiliates) for a price per share equal to the Preferred Redemption Consideration.

30. Under the Preferred Share Exchange Agreement, the holders of Series A Exchangeable Preferred Shares are provided a holder exchange right (the "Preferred Share Optional Exchange Right"), exercisable upon the insolvency of Rev D Canada, to require Rev D to purchase from the holder all or any part of his or her Series A Exchangeable Preferred Shares. The purchase price for each Series A Exchangeable Preferred Share purchased by Rev D will be an amount equal to the current market price of a share of Series A Preferred Stock, to be satisfied by the delivery of one share of Series A Preferred Stock to the holder, together with an additional amount equivalent to all declared and unpaid dividends on each such Series A Exchangeable Preferred Share held by such holder on any dividend record date prior to the closing of the purchase and sale.

31. Further, under the Preferred Share Exchange Agreement, upon the liquidation, dissolution or winding-up of Rev D, Rev D is required to purchase each outstanding Series A Exchangeable Preferred Share, and each holder is required to sell all of his or her Series A Exchangeable Preferred Shares (such purchase and sale obligations are hereafter referred to as the "Preferred Share Automatic Exchange Right"), for a purchase price per share equal to the current market price of a Series A Exchangeable Preferred Share, to be satisfied by the delivery of one share of Series A Preferred Stock to the holder for each Series A Exchangeable Preferred Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on each such Series A Exchangeable Preferred Share held by such holder on any dividend record date prior to the closing of the purchase and sale.

32. The Preferred Share Support Agreement provides that Rev D will not declare or pay any dividend on the shares of Series A Preferred Stock unless Rev D Canada simultaneously declares and pays an equivalent dividend on the Series A Exchangeable Preferred Shares, and that Rev D will ensure that Rev D Canada will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Series A Exchangeable Preferred Shares under the Series A Exchangeable Preferred Share Provisions and the related redemption, retraction and liquidation call rights described above.

33. The Preferred Share Support Agreement further provides that, without the prior approval of the holders of the Series A Exchangeable Preferred Shares, actions such as distributions of stock dividends, options, rights and warrants for the purchase of securities or other assets, subdivisions, reclassifications, reorganizations and other changes cannot be taken in respect of the shares of Series A Preferred Stock without the same or an economically equivalent action being taken in respect of the Series A Exchangeable Preferred Shares.

34. Possible future trades in securities relating to the Series A Exchangeable Preferred Shares and securities received pursuant to the exchange rights attaching to the Series A Exchangeable Preferred Shares include the following:

(a) the issuance of shares of Series A Preferred Stock by Rev D (or Permitted Subsidiary, and such any trades or transfers between Rev D and Permitted Subsidiary as may be required to carryout the call right obligations described herein) from time to time to enable shares of Series A Preferred Stock to be delivered to a holder of Series A Exchangeable Preferred Shares, and the subsequent delivery thereof to such holder, upon: (i) a holder's retraction of Series A Exchangeable Preferred Shares; (ii) the exercise of the Preferred Retraction Call Right; (iii) the redemption of Series A Exchangeable Preferred Shares by Rev D Canada; (iv) the exercise of the Preferred Redemption Call Right; (v) the liquidation, dissolution or winding-up of Rev D Canada; and (vi) the exercise of the Preferred Liquidation Call Right;

(b) the transfer of Series A Exchangeable Preferred Shares by the holder to Rev D Canada upon: (i) the holder's retraction of Series A Exchangeable Preferred Shares; (ii) the redemption of the Series A Exchangeable Preferred Shares by Rev D Canada; and (iii) the liquidation, dissolution or winding-up of Rev D Canada;

(c) the transfer of Series A Exchangeable Preferred Shares by the holder to Rev D (or Permitted Subsidiary) upon: (i) the exercise of the Preferred Retraction Call Right; (ii) the exercise of the Preferred Redemption Call Right; and (iii) the exercise of the Preferred Liquidation Call Right;

(d) the transfer of Series A Exchangeable Preferred Shares by a holder to Rev D upon exercise of the Preferred Share Optional Exchange Right or the occurrence of the Preferred Share Automatic Exchange Right;

(e) the issuance and delivery of shares of Series A Preferred Stock by Rev D to a holder of Series A Exchangeable Preferred Shares upon the exercise of the Preferred Share Optional Exchange Right or the Preferred Share Automatic Exchange Right;

(f) the redemption of Rev D Canada Special Voting Shares by Rev D Canada, and the redemption of shares of Series A Special Voting Stock by Rev D; and

(g) the issuance and delivery of shares of common stock of Rev D by Rev D to a holder of shares of Series A Preferred Stock upon the exercise of conversion right of shares of Series A Preferred Stock (collectively, the "Exchangeable Preferred Share Trades").

35. As a result of the use of an exchangeable share structure, discretionary relief may be necessary for the Exchangeable Common Share Trades and Exchangeable Preferred Share Trades.

AND WHEREAS the Commission is satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 74(1) of the Act, that sections 25 and 53 of the Act shall not apply to the Exchangeable Common Share Trades and Exchangeable Preferred Share Trades, provided that the first trade of a security acquired pursuant to this Ruling shall be a distribution unless:

(a) such first trade if made by a Rev D Founder, complies with section 2.6 of Multilateral Instrument 45-102 ("MI 45-102");

(b) such first trade, in any other case, complies with section 2.5 of MI 45-102; or

(c) if at the time of each first trade Rev D is not a reporting issuer in any jurisdiction in Canada, the first trade is made through an exchange or a market outside Canada, or to a person or company outside of Canada, provided that at the time of such trade, holders of shares of common stock of Rev D (together with holders of Exchangeable Common Shares, Series A Exchangeable Preferred Shares and shares of Series A Preferred Stock considered to be holders of shares of common stock of Rev D)

who are residents of Canada, do not own, directly or indirectly, more than 10% of the shares of common stock of Rev D and represent in number, not more than 10% of the total number of owners, directly or indirectly, of common shares of Rev D.

February 28, 2003.

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

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/Revoke
3D Visit Inc.	28 Feb 03	12 Mar 03		
ACEnetx Inc.	26 Feb 03	10 Mar 03		
Allnet Secom Inc.	19 Feb 03	03 Mar 03	03 Mar 03	
Aludra Inc.	03 Mar 03	14 Mar 03		
Aludra Inc.	14 Feb 03	26 Feb 03		28 Feb 03
International Rochester Energy Corp.	27 Feb 03	11 Mar 03		
Lyndex Explorations Limited	20 Feb 03	04 Mar 03	04 Mar 03	
Martin Health Group Inc.	20 Feb 03	04 Mar 03		27 Feb 03
New Inca Gold Ltd.	20 Feb 03	04 Mar 03		
World Wise Technologies Inc.	21 Feb 03	05 Mar 03	05 Mar 03	

4.3.1 Issuer CTO's Revoked

Company Name	Date of Revocation
Martin Health Group Inc.	29 Feb 03

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Chapter 6

Request for Comments

6.1.1 CSA Notice 33-402 Joint Forum Requests Comments on Principles and Practices for the Sale of Products and Services in the Financial Sector

CSA NOTICE 33-402

JOINT FORUM REQUESTS COMMENTS ON
PRINCIPLES AND PRACTICES FOR THE SALE OF PRODUCTS AND
SERVICES IN THE FINANCIAL SECTOR

The Joint Forum of Financial Market Regulators is releasing for consultation a document entitled ***Principles and Practices for the Sale of Products and Services in the Financial Sector***.

The document is the result of the Joint Forum's efforts to develop, in a uniform, forward-looking way, standards of professionalism and fair conduct that Canadian consumers should be able to expect in their dealings with financial intermediaries. The Joint Forum's goal in articulating these standards is to obtain the endorsement of key industry associations across the financial services sector. This will result in benefits for consumers by ensuring that consumers receive a consistent level of service and protection across the financial sector without imposing burdensome regulatory requirements.

In order to proceed with the Practice Standards project, the Joint Forum seeks the input of industry and consumer stakeholders. The following documents form part of this consultation package :

- Cover Letter
- Backgrounder
- Principles and Practices for the Sale of Products and Services in the Financial Sector
- A Consumer's Guide to Financial Transactions
- Industry Examples
  - Securities
  - Property and Casualty Insurance
  - Life Insurance
  - Deposit Agent
  - Loan Broker
  - Financial Planning.

Copies of these documents are available on the websites of various members of the Canadian Securities Administrators. You can also obtain them by contacting Stephen Paglia, Senior Policy Analyst, Joint Forum Project Office (phone: (416) 590-7054, e-mail: spaglia@fsco.gov.on.ca).

We invite interested parties to provide written comments or suggestions on these proposals, including expressions of support if you agree with them.

Please send your submissions to:

Stephen Paglia
Senior Policy Analyst
Joint Forum Project Office
Joint Forum of Financial Market Regulators
5160 Yonge Street, 17th Floor, Box 85
North York, Ontario M2N 6L9
e-mail: spaglia@fsco.gov.on.ca

The deadline for submitting comments to the Joint Forum is May 29, 2003. Please note that we cannot keep your submissions confidential because legislation in certain provinces requires us to publish a summary of written comments received during the comment period.

Please note that regulators in Quebec are not participating in this project but they are monitoring the Joint Forum's work in this area.

The Joint Forum was founded in 1999 by the Canadian Council of Insurance Regulators, the Canadian Association of Pension Supervisory Authorities and the Canadian Securities Administrators, and also includes representation from the Canadian Insurance Services Regulatory Organizations and the Bureau des services financiers in Quebec. The mandate of the Joint Forum is to pro-actively facilitate and coordinate the development of harmonized, cross-sectoral and cross-jurisdictional solutions to financial services regulatory issues.

March 6, 2003.

March 6, 2003

TO : All Interested Parties

FROM: Jim Hall,
Chair, Joint Forum Sub-committee on Practice Standards for the Sale of Products and Services in the Financial Sector
Superintendent of Insurance, Saskatchewan

RE: Joint Forum Practice Standards Project – Stakeholder Consultation

Introduction

The Joint Forum of Financial Market Regulators has undertaken a project to develop a common set of principles and practices for the sale of products and services by all financial intermediaries. The goal is to ensure that consumers receive a consistent level of service and protection across the financial services sector.

Regulators have discussed at length and agreed upon the principles and practices set out in the attached document titled ***Principles and Practices for the Sale of Products and Services in the Financial Sector***. (For background information on the project, please see the document titled ***Backgrounder*** that has been included with this package).

In the longer term, the Joint Forum's goal is to have these principles and practices incorporated into the codes of conduct of financial industry associations. Ultimately, they would be followed by all financial intermediaries in the distribution of financial products and services.

As the next step in the project, the Joint Forum seeks the input of stakeholders. Specifically, we welcome your comments on the following documents:

1. **Principles and Practices for the Sale of Products and Services in the Financial Sector**. This is the primary document of the project as described above.

2. **A Consumer's Guide to Financial Transactions.** This is a companion document which sets out the principles and practices in a form which we hope will be clear to consumers.

3. **Industry Examples**. This set of documents is intended to provide descriptive examples to enhance intermediaries' understanding of the principles and practices. The examples documents have been developed in consultation with industry members and are unique for each industry. The intent of these documents is not to set out current legislative requirements in any given jurisdiction, rather the goal is to provide a set of examples which are broadly applicable and which will serve to illustrate the principles and practices on a nation-wide basis.

Your Comments Are Requested

We are seeking your assistance and support by providing all stakeholders with the opportunity to review the attached documents. Interested parties are invited to provide written comments or suggestions with respect to our proposals, including expressions of support. Your feedback would be appreciated by **May 29, 2003**.

Submissions should be sent to:

Stephen Paglia
Senior Policy Analyst
Joint Forum Project Office
Joint Forum of Financial Market Regulators
5160 Yonge Street, 17th Floor, Box 85
North York, Ontario M2N 6L9
e-mail: spaglia@fsco.gov.on.ca

A diskette or an e-mail attachment containing submissions in either Word or Wordperfect format should also be submitted.

Please note that it is the intention of the Joint Forum and its Sub-committee on Practice Standards that comments received pursuant to this consultation process will be made public. We cannot keep your submissions confidential because legislation in certain provinces requires us to publish a summary of written comments received during the comment period.

Please note that regulators in Quebec are not participating in the Practice Standards project, or in this consultation. However, they continue to monitor the process and the Joint Forum's work in this area.

Your input to this process is most appreciated.

Yours truly,

Jim Hall
Chair

CANADIAN ASSOCIATION OF PENSION SUPERVISORY AUTHORITIES

David Wild
Chair of the Joint Forum
Chair, Financial Services Commission, and Superintendent of Pensions
Saskatchewan

Gail Armitage
Executive Director, Financial Sector Policy
Alberta

Bryan Davies
CEO & Superintendent of Financial Services
Ontario

Ross Gentleman
Superintendent of Pensions (Acting)
British Columbia

CANADIAN SECURITIES ADMINISTRATORS

Doug Hyndman
Chair
British Columbia Securities Commission

Guy Lemoine
Vice Chair
Quebec Securities Commission

Les O'Brien
Vice Chair
Nova Scotia Securities Commission

Howard Wetston
Vice Chair
Ontario Securities Commission

CANADIAN COUNCIL OF INSURANCE REGULATORS

Jim Hall
Superintendent of Insurance and Financial Institutions
Registrar of Credit Unions
Saskatchewan

Jacques Henrichon
Deputy Inspector General of Financial Institutions
Quebec

Winston Morris
Superintendent of Insurance and Pensions
Newfoundland & Labrador

James Scalena
Superintendent of Financial Institutions
Manitoba

CANADIAN INSURANCE SERVICES REGULATORY ORGANIZATIONS

Jeffrey A. Bear
Chief Executive Officer
Registered Insurance Brokers of Ontario

BUREAU DES SERVICES FINANCIERS

Louise Champoux-Paillé
President

BACKGROUNDER
March 2003

PRINCIPLES AND PRACTICES FOR THE SALE OF PRODUCTS AND SERVICES IN THE FINANCIAL SECTOR

I BACKGROUND

Developments in the Canadian financial services sector have led to a fragmented system of regulation across financial industries and jurisdictions. As the marketplace continues to converge, protecting consumers and enhancing the quality and consistency of regulation are key goals for regulators.

Three years ago, the Joint Forum of Financial Market Regulators (the Joint Forum)[1] was established as a national coordinating body for insurance, securities, and pension regulators. One of the principal projects of the Joint Forum is the development of harmonized approaches to intermediary proficiency and licensing. This project has been divided into the following four components:

1. Practice standards – the development of industry best practices for intermediaries in the sale of financial products and services. These practices are to be adopted by industry associations in the development of codes of conduct.

2. Competency rules – the development of unified, common, minimum qualification and entry standards.

3. Minimum continuing education requirements.

4. Licensing of financial intermediaries who provide more than one category of service.

The Joint Forum decided to pursue the four components one at a time, beginning with practice standards.

II PROGRESS TO DATE

1. Sub-committee on Practice Standards Established

To address the issue of practice standards, a sub-committee was created, made up of the following members:

- Canadian Council of Insurance Regulators (CCIR) – (Ontario and Saskatchewan)
- Canadian Securities Administrators (CSA) – (Nova Scotia, Ontario and Quebec)
- Canadian Insurance Services Regulatory Organization (CISRO) – (British Columbia and Quebec)
- Mutual Fund Dealers Association (MFDA)
- Investment Dealers Association of Canada (IDA)
- Bureau des services financiers (BSF)
- Real Estate Council of Alberta (RECA) - (Alberta)

The Joint Forum Project Office is providing project management support. The consulting firm of Lawrie Savage & Associates Inc was retained to provide research and analytical support to the project.

1 In response to an increasingly integrated financial services marketplace, the Joint Forum was established early in 1999 as a mechanism through which pension, securities and insurance regulators could coordinate, harmonize and streamline the regulation of financial products and services in Canada. The Joint Forum consists of designated representatives from each of the Canadian Association of Pension Supervisory Authorities (CAPSA), the Canadian Securities Administrators (CSA), the Canadian Council of Insurance Regulators (CCIR), the Canadian Insurance Self Regulatory Organization (CISRO) and the Bureau des services financiers (BSF).

2. Sub-committee Mandate

The Sub-committee's mandate, as approved by the Joint Forum, is:

> *To develop for adoption by the Joint Forum, a Canada-wide practice standard that would apply to all financial service intermediaries. This national standard would complement other, more detailed standards created by other organizations.*

3. Industry Liaison Group

An Industry Liaison Group was established. The Liaison Group's role is to facilitate the research phase of the project, review and advise on emerging recommendations, and provide appropriate linkages to the financial community. Invitations were extended to a number of organizations representing financial services intermediaries and companies.

Those groups nominating a representative to the Industry Liaison Group are outlined below:

- Canadian Bankers Association
- Canadian Life and Health Insurance Association
- Canadian Securities Institute
- Advocis (formerly Canadian Association of Insurance and Financial Advisors)
- Federation of Canadian Independent Deposit Brokers
- Insurance Brokers Association of Canada
- Independent Financial Brokers of Canada
- Investment Funds Institute of Canada
- Credit Union Central of Canada
- Canadian Association of Financial Institutions in Insurance
- Insurance Bureau of Canada

4. Intermediaries Defined

The "universe" of financial intermediaries to be bound by the practice standard was considered during the initial phase of the project. The Sub-committee determined that the term "financial service intermediary" should be defined to mean a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution. This definition is intended to include the following intermediaries:

- Life insurance agents and brokers
- P&C insurance agents and brokers
- Securities registrants
- Loan brokers
- Mortgage brokers
- Deposit brokers
- Financial planners
- Employees of financial institutions who market financial products (e.g., bank employees who market creditor insurance).

5. Matrix of Existing Regulations

A comprehensive and accurate matrix of regulation affecting all industries and across all jurisdictions was compiled to highlight and compare the existing rules governing the universe of intermediaries.

6. Existing Practice Standards, Rules and Codes of Conduct Analyzed

Literally dozens of existing codes of conduct in the financial sector in Canada and other countries were examined. From this material, the Sub-committee did a comprehensive review of the major themes and principles, and structural and enforcement issues.

7. Development of the Joint Forum Principles and Practices, and Companion Documents

After much discussion and deliberation about the compilation and analysis of existing codes, the Sub-committee determined which principles and practices were to be included in the Joint Forum's proposed ***Principles and Practices for the Sale of Products and Services in the Financial Sector***. In order to make the principles and practices understandable to consumers, a companion document was created entitled ***A Consumer's Guide to Financial Transactions***. In addition, the Sub-committee decided it would be beneficial to produce a set of documents which would provide examples to illustrate how the principles and practices would apply to intermediaries in each industry. The industry examples documents have been developed in consultation with industry representatives.

III OVERVIEW OF PROPOSAL

This project provides an opportunity for the Joint Forum to develop, in a uniform, forward-looking way, standards of professionalism and fair conduct that Canadian consumers should be able to expect in their financial transactions. Articulating these standards and obtaining the endorsement of key industry associations across financial services sectors will result in benefits for consumers without imposing burdensome regulatory requirements on financial intermediaries.

1. Purpose of the Standards

There are varying levels of regulation that are currently in place for intermediaries. These regulations vary by jurisdiction, by type of intermediary, and by the regulator or regulators that are responsible for oversight. The result of this project will be to provide a common language to express minimum obligations that should apply to the conduct of all financial intermediaries in their dealings with consumers of financial products and services.

It is worth noting that for some intermediaries, there are no regulators and no regulations governing their actions. For these intermediaries, therefore, the principles and practices that have been developed may result in a "raising of the bar". For those intermediaries who are already regulated, these standards may replicate or slightly amplify the conduct that is already required under regulation.

2. Voluntary Approach

The Joint Forum's preference has always been to develop voluntary principles that intermediaries would adopt. The Sub-committee, therefore, set out to create a standard that industry associations would endorse on behalf of their members, rather than creating a code of conduct that regulators in each jurisdiction would enforce. For this reason the principles and practices that have been identified are expressed in general terms and rely on high-level principles rather than specific details. One benefit of this approach is that they are general enough to dovetail with the existing codes of industry associations. At the same time, however, they are practical enough to be easily implemented and measured. For those intermediaries not represented by associations, the principles would serve as a "best practices" guide.

3. Enforcement

The Joint Forum acknowledges that there is a potential concern regarding the regulatory outcome of voluntary standards, specifically, whether such standards could realistically be expected to change the behaviour of intermediaries given the lack of enforcement by regulators. To deal with this concern, the Sub-committee has considered enforcement mechanisms and has identified and reviewed a range of options for addressing enforcement issues.

In keeping with the Joint Forum's preference for adopting a voluntary approach, the Sub-committee contemplated that association codes should include consequences for non-compliance, or require adherence to the code as a condition of membership. Implementing rules and regulations to achieve the proposed principles will only be considered as a last resort.

The Joint Forum sees value for both consumers and regulators in having a standard, albeit a voluntary one, which articulates a common nation-wide standard of behaviour for financial intermediaries. Once it is adopted widely by industry associations, the

Joint Forum is confident that it would come to be seen as the norm. In addition, it might be possible for regulators to cite the standards to bolster their decisions in individual cases.

At the same time, consumers would have a benchmark against which to evaluate their financial intermediaries.

Detailed questions of enforcement by individuals or organizations that endorse or "sign onto" the standard will be dealt with further by the Sub-committee when it considers the issue of implementation.

4. Impact on Existing Regulation

The practice standard could create some confusion in areas where there is overlap with the application of existing laws and regulations that may prescribe specific conduct for financial intermediaries in certain circumstances. This concern has been dealt with by stipulating that, in cases where the practice standard addresses an area covered by existing regulation, the higher standard will prevail. On this basis, the practice standard provisions would have no impact on areas where more detailed and rigorous regulations already exist since the existing rules would continue to apply.

5. Proposed Principles

The principles embodied in the Joint Forum's proposals deal with the following:

1. Interests of the Client
2. Needs of the Client ("Know Your Client")
3. Professionalism
4. Confidentiality
5. Conflicts of Interest
6. Disclosure
7. Unfair Practices
8. Client Redress
9. Compliance

These principles have been reviewed against the International Organization of Securities Commissions (IOSCO) and International Association of Insurance Supervisors (IAIS) codes to ensure that they are consistent with international standards.

IV PUBLIC CONSULTATION PROCESS

In order to proceed with the Practice Standards project, the Sub-committee seeks the input of industry and consumer stakeholders. Documents included in this consultation are:

- ❑ **Principles and Practices for the Sale of Products and Services in the Financial Sector**
- ❑ **A Consumer's Guide to Financial Transactions**
- ❑ **Industry Examples:**
  - **Securities**
  - **Property and Casualty Insurance**
  - **Life Insurance**
  - **Deposit Agent**
  - **Loan Broker**
  - **Financial Planning**

A complete description of the consultation is set out in the Chair's covering letter, dated March 6, 2003.

Please note that regulators in Quebec are not participating in the Practice Standards Project, or in this consultation. However, they continue to monitor the Joint Forum's work in the development of principles and practices for financial services intermediaries.

V NEXT STEPS

After the consultation period, the Sub-committee on Practice Standards will meet to review the comments received. Necessary changes will be made to the documents, and the package will be submitted to the Joint Forum and its constituent groups for approval.

During the consultation period, the Sub-committee will also begin to study methods of implementation. It is anticipated that final recommendations and an implementation plan will be developed by summer 2003 for the approval of the Joint Forum and its constituent groups.

Principles and Practices for the Sale of Products and Services in the Financial Sector

The Joint Forum statement of *Principles and Practices for the Sale of Products and Services in the Financial Sector* has been developed by regulators from all jurisdictions except Quebec and across all financial product sectors. It is expected that these principles and practices will be incorporated into the codes of conduct of financial industry associations and followed by all financial intermediaries in the distribution of financial products and services.

These principles and practices should apply to all financial transactions, without regard to the product category, the type of intermediary, or the means by which the purchase of a product or service is transacted. If any principle or practice is inconsistent with a provision of an applicable law or regulation, including a rule of a self-regulatory organization, whether recognized, exempt from recognition or otherwise authorized, the applicable law, regulation or rule will take precedence.

Associated with the principles and practices is a consumer guide and an industry-specific set of examples. The purpose of these documents is to clarify the stated principles and practices for consumers and intermediaries respectively.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

2. Needs of the Client

In order to understand the client's interests, the intermediary must obtain or confirm information about the needs of the client and, when making a recommendation, must reasonably ensure that any product or service offered is suitable to fulfill those needs.

Commentary: In assessing the needs of the client, the intermediary should take into account the financial significance and complexity of the product or service being sold.

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and

practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

A Consumer's Guide to Financial Transactions

As a financial consumer, it is in your interest to find a suitable company and/or accredited financial salesperson to handle your business. You have the responsibility to provide fair and honest information about your financial needs. If you do not fully disclose your needs, it is possible that the salesperson may unknowingly offer products which are not suited to your financial requirements.

Salespeople may be insurance agents or brokers, investment advisors, educational savings plan salespeople, loan brokers, mortgage brokers, financial planners, securities sales representatives and others. You should shop around and talk to several salespeople to find the right person. You may also choose to deal directly with companies through telephone, mail or the Internet.

In your dealings with a salesperson or a company, you should always seek further information if you do not feel comfortable with your level of understanding of products or services that you are purchasing. Asking questions will help you avoid any potential misunderstandings regarding the information that is being presented to you.

This document sets out basic principles of fair transactions which you, as a consumer, should expect when you buy a financial product, whether you deal directly with a company or through a salesperson.

1. *Your interests come first, before the interests of salespeople and companies.*

2. *If you choose to have a salesperson, you should expect to have your financial needs assessed by the salesperson and, when he or she makes a recommendation, to be offered products that meet your needs.*

3. *You should expect your instructions to be carried out faithfully. Your salesperson or company must not transact business which is unlawful.*

4. *You should expect your transactions to be handled with high standards of professionalism.*

5. *You should expect to have your personal information safeguarded and only used for the purpose for which it was originally collected, unless you have given permission for it to be used for other reasons. Your personal information may be divulged without your consent to law enforcement agencies when required or authorized by law.*

6. *If you choose to have a salesperson, you should expect to be informed if he or she has a "conflict of interest", and be given the opportunity to halt further dealings with the salesperson.*

7. *You should expect to receive all relevant information before making a decision about a financial product. This includes product features, risks and benefits, the company(ies) involved, all fees that will be charged to you, how the salesperson is paid, and whether he or she may receive benefits from sales incentive programs. It also includes information on the existance of any business relationships that the salesperson knows of, with other companies or people, which may be relevant to your purchase.*

8. *You should expect to have any complaints dealt with in a timely and forthright manner. In the event that a dispute with your salesperson or company cannot be resolved, you should be given information, preferably in writing, about available avenues for resolving your complaint.*

Principles and Practices for the Sale of Products and Services in the Financial Sector

Companion Piece - Examples for Securities Representatives

This document is a companion piece to the *Principles and Practices for the sale of Products and Services in the Financial Sector* and sets out examples of business practices for each principle.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

Example: The interests of the client would not be taken under consideration if a sales representative, knowing that he would receive a higher commission, sold a high risk investment to a client that was considered very conservative with low risk tolerance.

2. Needs of the Client

A sales representative should obtain information to ensure investments are suitable for the client.

Example: The type of information that a sales representative should obtain includes:

- level of investment knowledge of the client (i.e., a sophisticated and knowledgeable investor or a novice investor neAeding a lot more information);
- risk tolerance;
- investment objectives (e.g., income, capital gains);
- up-to-date know your client information (i.e., to the extent it impacts the client's ability to withstand losses, understand the product).

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

Example: Sales representative should be knowledgeable about all of the products he sells, as well as current securities regulations. This requires ongoing training. Dealers should provide adequate training for sales representatives regarding new product information, legislative changes, office procedures and provide the opportunity to attend courses and professional conferences.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

Example: When sales representatives are selling multiple products, some of which the mutual fund dealer is not registered to sell, they fail to provide information to the client about who is providing the product. The client might not be aware whether the mutual fund dealer or insurance broker is selling the product.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

Example: All dealers must comply with National Instrument 81-105 - Sales Practices. The National Instrument (NI) says that a fund company cannot pay money, provide a non-monetary benefit or reimburse expenses to a dealer or a sales representative unless these payments are permitted by the NI. For example, permitted payments include commission (at a rate disclosed in the prospectus) and promotional items such as pens, calendars, T-shirts.

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

Example: A dealer must keep proper books and records detailing all business transactions (e.g. purchases and sales of securities) and financial information (e.g. revenue, expenses, commissions, capital).

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

Example: Part 7.4 of the National Instrument 81-105 - Sales Practices prohibits anyone from requiring that they invest in or switch investments (e.g. switch to a specific family of mutual funds from another family) as part of another transaction - such as obtaining a mortgage loan. This practice would be considered "tied selling".

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Example: All mutual fund dealers must have adequate insurance, as dictated by rules, to cover loss:

- through any dishonest or fraudulent act of any of its employees or agents;
- of cash and securities or other property through robbery, burglary, theft, hold-up or other fraudulent means;
- of cash and securities or other property through robbery, burglary, theft, hold-up misplacement while in transit or in the mail;
- through forgery or alteration of any cheques, drafts, promissory notes or other written orders.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

Example: There are specific rules that govern dealers. These rules dictate that information relating to a client, or the business and affairs of a client must be maintained in confidence and that dealers must have written policies and procedures regarding confidentiality.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

Example: Specific securities rules dictate that dealers must disclose any conflict of interest to clients. Examples of such conflicts includes:

- sales representatives selling securities in which they hold a significant equity interest;
- promoting leveraging to clients in order to increase sales and commission revenues.

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

Example: Information that should be disclosed includes:

- risks of leveraged investments;
- referral arrangements or income splitting with other sales representatives;
- commission rate;
- risk associated with certain investments.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

Example: Each dealer must establish written procedures to deal effectively with client complaints. These should include:

- acknowledgment of all client complaints;
- a written response to the client conveying the results of the investigation of the complaint;
- complaints should be handled by a qualified individual;
- head office and senior management should be informed about any pending legal actions and serious misconduct;
- sales representatives and their supervisors should be made aware of all complaints by their clients;
- complaints should be maintained in an orderly manner and readily accessible.

Each complaint should include the date, name of complainant, subject of complaint (name of person), securities/services which are subject of complaint, resolution of complaint (date plus supporting documentation).

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

Principles and Practices for the Sale of Products and Services in the Financial Sector

Companion Piece - Examples for Property & Casualty Insurance Agents

This document is a companion piece to the *Principles and Practices for the sale of Products and Services in the Financial Sector* and sets out examples of business practices for each principle.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

Examples: The interests of the client would not be taken under consideration if an agent, knowing that he could provide coverage asked for by a client, chose to use an inferior policy from an insurer that did not meet the client's needs. The reason for selecting the particular policy was to satisfy the volume requirements of the insurer.

2. Needs of the Client

In order to understand the client's interests, the intermediary must obtain or confirm information about the needs of the client and, when making a recommendation, must reasonably ensure that any product or service offered is suitable to fulfill those needs.

Commentary: In assessing the needs of the client, the intermediary should take into account the financial significance and complexity of the product or service being sold.

Examples: The type of information that an insurance agent should obtain and or convey to the client includes:

- Insurance needs of client (seasonal homes, watercraft other special risks etc)
- High personal value items (jewelry, furs antiques etc)
- Value of property and co-insurance implications if client wants to under insure
- Location of property to be insured
- Special risks client may be exposed to (environmental risks)
- Exclusions to property covered
- Limitations on policy (replacement value vs. actual cash value coverage)

This information must be kept up-to-date so that the agent will know whether the current insurance is meeting the client's needs.

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

Examples: Agents must be knowledgeable about all of the products they sell, as well as current insurance regulations. This requires ongoing training. Agencies should provide adequate training to sales persons regarding new product information, legislative changes, office procedures and provide the opportunity to attend courses and professional conferences. All agents are required, pursuant to Section 16 of the General Insurance Council of Saskatchewan (GICS) Bylaws to attain a minimum number of continuing education hours each year.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

Examples: Salespersons must carry on business only in the name of the agency they represent and may offer only the class of insurance product they are licensed to sell.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

Example: Agents are prohibited pursuant to Section 27 of the GICS Bylaws from engaging in any misleading activity, rebating of commissions, inducements to insure or activity that brings discredit on the industry.

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

Example: There are no specific guidelines on the form this must take but agencies and salespersons are expected to maintain records of client contact/activity for both the agencies protection and the clients.

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

Example: Section 27 of the GICS bylaws prohibits the use of coercion or undue influence in the securing of insurance business, using incomplete comparisons, omitting of essential information needed by either a client or an insurer. Section 445 (c) of the Sask. Insurance act prohibits coercive or undue influence practices.

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Example: All agencies must have adequate insurance, as dictated by rules, to cover loss due to any dishonest or fraudulent act of any of its employees or agents, and due to errors or omissions of the agency or any of it's salespersons or employees.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

Example: There are specific rules that govern agencies. These rules dictate that information relating to a client, or the business and affairs of a client, must be maintained in confidence. Agencies must have specific written authority from the client before releasing any client information unless required to do so by law or in the normal course of procuring insurance for the client.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

Example: Conflict situations are not common in the property and casualty insurance market place since compensation margins do not typically differ between policies.

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

   Example: Information that should be disclosed includes limitations or exclusions under the policy, and conditions that may void a policy.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

   Example: This section does not readily apply to property and casualty business since agencies in Saskatchewan are not restricted to specific insurance companies although some agencies may have contractual obligations with specific companies that would be disclosed to consumers.

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a

dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

Example: There is no formal complaint handling procedure beyond the expectation that client's complaints are handled fairly and expeditiously.

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

Principles and Practices for the Sale of Products and Services in the Financial Sector

Companion Piece - Examples for Life Insurance Agents

This document is a companion piece to the *Principles and Practices for the sale of Products and Services in the Financial Sector* and sets out examples of business practices for each principle.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

Example: There are various regulatory bylaws or codes of conduct that require that licensees carry on business in utmost good faith. The Insurance Council of British Columbia's Code of Conduct for Insurance Agents, Salespersons & Adjusters goes on to say that "good faith is honesty and decency of purpose and a sincere intention on your part to act in a manner which is consistent with your client's or principal's best interests, remaining faithful to your duties and obligations as an insurance licensee".

The interests of the client would not be taken under consideration if:

- the licensee misrepresented or failed to disclose material information where required;
- the licensee made improper use of confidential information.

2. Needs of the Client

In order to understand the client's interests, the intermediary must obtain or confirm information about the needs of the client and, when making a recommendation, must reasonably ensure that any product or service offered is suitable to fulfill those needs.

Commentary: In assessing the needs of the client, the intermediary should take into account the financial significance and complexity of the product or service being sold.

Example: The sort of information that agents obtain through a needs analysis done prior to making an insurance recommendation includes:

- family and financial situation (dependents, income, personal and family obligations);
- other life insurance coverage (individual and group);
- objectives that client wishes to meet through insurance;
- other financial resources available to meet those objectives.

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

Example: Agents are required to pass a licensing examination demonstrating basic knowledge of the life insurance industry and its products. Regulators are proposing the introduction of mandatory pre-license training to enhance "entry-level" knowledge. Many provinces require continuing education as a condition of licence renewal. Those agents with professional designations are also required to meet continuing education requirements as a condition of maintaining their designations.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

Example: Provincial regulations stipulate that agents may not make "a false or misleading statement, representation or advertisement". (See, for instance, Ontario's Regulation on Unfair and Deceptive Acts and Practices (O. Reg. 7/00) especially paragraphs 4 to 6.)

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

Example: Provincial regulations stipulate that agents shall not engage in unfair or deceptive practices. In some cases (i.e., Ontario Insurance Act, s.438, unfair and deceptive acts are defined.)

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Example: In most provinces, agents are required to carry errors & omissions insurance, as a condition of licensing.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

Example: Provincial regulations specifically deal with the handling of medical and other confidential information, as does CLHIA's Right to Privacy Guideline. These deal with the collection, use and disclosure of personal information. They require the consent of the individual in both the collection and use of the information, and set out requirements for complaint resolution. Federal privacy legislation will apply to client information no later than January 2, 2004 where there is no comparable provincial legislation in force.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

Example: Provincial regulations require that agents disclose actual or potential conflicts of interest. B.C.'s Code of Conduct goes on to state: "where there is an irreconcilable conflict between your duty to a client and your other duties as a licensee, you should decline to act in the transaction. For example, if a client asked you to conceal information from an insurer that was material to the risk, you should decline to act in the transaction."

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

   Example: Ontario's Regulation on Unfair and Deceptive Acts and Practices, para. 4, contains a general prohibition against misrepresentation. The industry has also developed more detailed supplementary guidelines. For instance, the CLHIA's Sales Illustration Guideline underscores the importance of communicating to clients the risks involved and the potential variability of the product for those products not fully guaranteed. For Universal Life policies with an equity component, it requires that any illustrations of non-guaranteed elements prominently specify that actual results will vary from those illustration – upward or downward- depending on future experience. A minimum of two scenarios must be provided – the first within the "primary" scenario range established, on an annual basis, by the insurer; and the second that is less favourable than the primary scenario. The general basis for each scenario and its key assumptions must also be outlined.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

   Example: B.C. has an express disclosure requirement. Ontario requires a life agent to disclose all insurers and also all other providers of financial products and services. As for remuneration, it is appropriate that the intermediary disclose the method of remuneration. It is impractical to list other benefits that may result from the sale as they may not be known at the time of the transaction (e.g. volume bonuses).

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

Example: Insurance companies have established complaint management systems; each company has an appointed "ombudsman" through which consumer complaints can be channelled. In addition, the industry has a Consumer Assistance Centre which handles general queries, and an Ombudservice to assist consumers in resolving complaints. An agent who is insured under a policy of professional liability (E&O) insurance must report any actual or potential claim to the designated claims administrator.

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

Principles and Practices for the Sale of Products and Services in the Financial Sector

Companion Piece - Examples for Deposit Agents

This document is a companion piece to the *Principles and Practices for the sale of Products and Services in the Financial Sector* and sets out examples of business practices for each principle.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

Example: The interests of the client would not be taken under consideration if a deposit agent mishandled an investor's funds in cases where the agent is engaged in a tied-selling agreement with only one financial institution. In this case, the investor would not be offered other options that would better suit his/her investment objectives.

2. Needs of the Client

In order to understand the client's interests, the intermediary must obtain or confirm information about the needs of the client and, when making a recommendation, must reasonably ensure that any product or service offered is suitable to fulfill those needs.

Commentary: In assessing the needs of the client, the intermediary should take into account the financial significance and complexity of the product or service being sold.

Example: According to Business Practice Rule #3 for deposit agents (Saskatchewan Securities Commission), a copy of the application must be given and signed by the investor. Also, an explanation of the investment process, if separate from the application, must also be signed by the investor and deposit agent.

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

   Example: A deposit agent that does not disclose all of the financial institutions that the agent represents may limit the options for a client.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

Example: According to rule #9 (c) of the Business Practice Rules for Deposit Agents in Saskatchewan, an agent must file a report with the Saskatchewan Securities Commission within three months after the financial year-end.

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

Example: Abuses of client's money can occur if a deposit agent invests client's funds in a GIC offered by a financial institution where a contract between the deposit agent and the financial institution does not exist. Rule #2 of the Business Practice rules regarding deposit agents in Saskatchewan states that the deposit agent can not receive funds from a client for investment unless a written contractual agreement exists between the deposit agent and the financial institution where the funds will be invested.

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Example: According to rule #9 (g) of the Business Practices Rules for deposit agents, if a deposit agent uses a trust account for temporarily holding a client's funds before being transferred to a financial institution for investment, a report of an accountant must exist that is acceptable to the Saskatchewan Securities Commission. The report must indicate that the accountant has inspected the books and records of the deposit agent and is satisfied that the deposit agent has operated in accordance with the rules set out for trust accounts.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

Example: According to rule #8 (a) of the Business Practice Rules for deposit agents, if a client gives cash to a deposit agent for investment purposes, the deposit agent must place the funds in a trust clearing account before it is forwarded to the a financial institution. The deposit agent cannot operate the trust account and must make the trust account separate from any of the deposit agent's own funds. If the funds were placed in an account with the deposit agent's funds, a conflict of interest may exist.

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

Example: This does not directly apply to deposit agents since client's funds are invested in GICs that feature a fixed interest rate along with the term of the investment.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

Principles and Practices for the Sale of Products and Services in the Financial Sector

Companion Piece - Examples for Loan Brokers

This document is a companion piece to the *Principles and Practices for the sale of Products and Services in the Financial Sector* and sets out examples of business practices for each principle.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

Example: The interests of the client would not be taken under consideration if a loan broker did not shop the market for the best interest rates.

2. Needs of the Client

In order to understand the client's interests, the intermediary must obtain or confirm information about the needs of the client and, when making a recommendation, must reasonably ensure that any product or service offered is suitable to fulfill those needs.

Commentary: In assessing the needs of the client, the intermediary should take into account the financial significance and complexity of the product or service being sold.

Example: A loan broker should obtain adequate information from a client in order to be able to refer the client's loan request to the type of financial institution most likely to assist the client.

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

   Example: Loan brokers should be aware of all sources of available funds in the industry to give the broadest possible choice.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

   Example: Loan brokers must make it clear to the client that the loan of funds is not secured by real property.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

   Example: Loan brokers that advertise must make it clear that the activity is restricted to brokering and not the direct marketing of loans.

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

Example: Loan brokers must keep proper books and records detailing all business transactions.

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

Example: Section 48(1) of *The Trust and Loan Corporations Act, 1997* (Saskatchewan) prevents loan brokers from putting undue pressure on clients after a client decides not to complete a loan transaction.

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Example: Section 55 of *The Trust and Loan Corporations Act, 1997* (Saskatchewan) requires loan brokers to file a bond with the Superintendent. The value of the bond is determined by the value of the loans to be brokered, although the minimum bond value is $25,000.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

Example: There are specific rules that govern loan brokers.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

Example: A loan broker refers clients to a lender that pays the broker a higher commission than what would be received from other lenders.

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

Example: According to section 49 (f) of *The Trust and Loan Corporations Act, 1997* (Saskatchewan), a loan broker must disclose all charges for services before providing services or products to a client. Total charges may differ between loan products depending on the loan broker's fee structure.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

Example: As stated in the example above, section 49 (f) of *The Trust and Loan Corporations Act,* 1997 (Saskatchewan), states that all charges must be disclosed to the client including those charges that relate to relationships between the loan broker and the financial institution.

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

Example: Section 50 of *The Trust and Loan Corporations Act, 1997* (Saskatchewan) provides a remedy for a client who gives security for a payment or an advanced payment to a loan broker for a product or service. In this situation, the Act allows the client or the Superintendent to demand that the advanced payment or security be returned to the client.

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

Principles and Practices for the Sale of Products and Services in the Financial Sector

Companion Piece - Examples for Financial Planners

This document is a companion piece to the *Principles and Practices for the sale of Products and Services in the Financial Sector* and sets out examples of business practices for each principle.

1. Interests of the Client

The client's interests take priority over the intermediary's interests and should not be sacrificed to the interests of others.

Commentary: This principle is paramount. All remaining principles and practices expand upon this fundamental principle.

2. Needs of the Client

In order to understand the client's interests, the intermediary must obtain or confirm information about the needs of the client and, when making a recommendation, must reasonably ensure that any product or service offered is suitable to fulfill those needs.

Commentary: In assessing the needs of the client, the intermediary should take into account the financial significance and complexity of the product or service being sold.

Examples:

- The nature and scope of the engagement shall be mutually defined by the financial planner and the client prior to providing any financial services.
- In carrying out a financial planning engagement, the financial planner shall follow the six-step financial planning process.
- A client's personal and financial goals, needs and priorities that are relevant to the scope of the engagement and the service(s) being provided shall be mutually defined by the financial planning practitioner and the client prior to making and/or implementing any recommendations.
- The process of "mutually defining" is essential in determining what activities may be necessary to proceed with the client engagement. The role of the practitioner is to facilitate the goal setting process in order to clarify, with the clients, goals and objectives, and, when appropriate, the practitioner must try to assist clients in recognizing the implication of unrealistic goals and objectives. This Practice Standard shall not be considered alone, but in conjunction with all other Practice Standards.

3. Legitimate Business Interests

The intermediary must collect enough information about the client and the transaction to reasonably determine the identity of the client and that the transaction is lawful. The intermediary must not act on behalf of a client when there are reasonable grounds to believe that the transaction is of an unlawful nature.

Commentary: When obtaining information about the client and his/her business, the intermediary must not continue to act for the client if it is known or should be known that the transaction is unlawful. In some circumstances, the intermediary will be required to report the transaction to regulatory authorities.

4. Professionalism

Intermediaries must act in good faith at all times. They must acquire an appropriate level of knowledge relating to their particular business and meet high standards of professional ethics, including acting with honesty, integrity, fairness, due diligence and skill. The concept of professionalism includes but is not limited to the following:

a. **Education:** In a rapidly changing financial marketplace, intermediaries must keep abreast of changes in products, regulations and other factors that will affect their ability to provide high standards of service to clients. Education, including continuing education, is a necessary component of professional skill.

b. **Holding Out:** An intermediary must inform the client of the business licenses and registrations held, as well as the business name(s) of firm(s) under which he or she is licensed to operate.

Examples:

- A representative should neither represent that he/she is a lawyer, accountant or investment counselor, nor leave uncorrected a misapprehension that he/she is a lawyer, accountant or investment counselor, unless the representative is so qualified.

- A representative will offer advice only in the areas where he/she has competence. In areas where the representative is not professionally competent, the representative shall seek the counsel of qualified individuals and /or refer clients to such parties.

- In rendering services (such as taking an order for securities or insurance coverage) that do not encompass the representative functioning as a financial planning practitioner, the representative shall inform the client of the scope of the services that shall be rendered and that the representative is not taking on the responsibilities of a financial planning practitioner. Such understanding obtained at the start of a relationship need be updated only when the nature of the services to be performed changes.

c. **Advertising and all other Client Communications:** Intermediaries must ensure that all references to their business activities, services and products are clear, descriptive and not misleading.

d. **Business Operations:** Intermediaries must ensure that their financial records are properly maintained and that they follow sound business practices.

e. **Fair Practices:** Intermediaries must not engage in practices that intentionally mislead the client or place the interests of others ahead of the client's interests. Unfair practices are contrary to the underlying spirit of the principles and practices set out in this document. The intermediary must refrain from practices that contravene, directly or indirectly, the spirit or intent of any of the requirements of these principles and practices.

f. **Financial Accountability:** Intermediaries should have appropriate resources in place to compensate clients who suffer a loss as a result of an error, omission or fraudulent activity that is caused by the intermediary or someone for whom he or she is responsible. The intermediary must ensure that all financial obligations are met and should strive to exceed all existing requirements for professional liability insurance, errors and omissions insurance, trust accounts, deposits or other fiduciary measures.

Commentary: Professionalism means that intermediaries will strive to adhere to best practices and will not be limited to standards required under law or regulation.

5. Confidentiality

Intermediaries must protect clients' personal information and take all reasonable steps to ensure that personal information is not divulged and is only used for the purpose for which it was collected, unless the client provides proper authorization, as required by applicable laws or regulations, to divulge personal information to others for reasonable purposes. Intermediaries must not use personal information to the detriment of the client. However, personal information may be divulged without client consent to, for example, law enforcement agencies when required or authorized by law.

Commentary: The requirement of confidentiality extends to participants in group plans. A basic requirement for intermediaries is to ensure that proper care is taken when handling documents that contain personal information provided by clients/group plan participants. The damage to the client is the same regardless of whether personal information is divulged to someone willfully or as a result of careless handling of files.

6. Conflicts of Interest

The intermediary must avoid situations where the underlying circumstances could tend to prejudice or bias the direction of advice he or she provides. In the case of a conflict of interest, the client must be made aware of the nature of the conflict before the transaction takes place.

Commentary: If a situation arises where a conflict exists and cannot be avoided, the condition can only be mitigated by objective, plain-language disclosure to the client of the nature and impact of the conflict. The client must then be given an opportunity to halt the transaction, to seek other professional advice, or to knowingly proceed with the transaction.

7. General Information Disclosure

The intermediary has the responsibility to ensure that the client is fully informed of all relevant information before the client makes a decision. The client is entitled to disclosure of the risks and benefits of the financial products being considered and information about the intermediary's business relationships as they pertain to the transaction.

Commentary: There are two aspects to disclosure and both must be satisfactorily taken into account under these principles and practices: (1) "product information" regarding product or service features, as well as the main risks and benefits inherent in the transaction or purchase; and (2) "intermediary information" regarding relationship issues which are important to the consumer.

a. **Product Information:** In addition to clearly describing the product or service for the client and the ways in which the transaction will fulfil the needs of the client, product information includes disclosure of important assumptions underlying any illustrations or examples that have been provided to the client, as well as the fact that actual results may differ significantly from those shown. The intermediary should avoid using examples or illustrations which he or she knows, or ought to know, are based on unusual results or a period that generated much better than normally anticipated performance.

b. **Intermediary/Business Relationship Information:** The intermediary must include the names of organizations or persons that are, to his or her knowledge, directly or indirectly, providing remuneration to the intermediary; the relationship between the intermediary and the firm whose product is being considered; and any relationship(s) among the firms involved in a transaction. Any other direct or indirect relationships that are relevant to the transaction should also be disclosed by the intermediary. In cases where this information has not been disclosed because the intermediary is unaware of it, it is expected that he or she will have first made a reasonable effort at due diligence. The intermediary must also disclose all fees payable by the client, the method of the intermediary's remuneration (disclosure of specific amount is not required, but disclosure of the type of compensation is, i.e. fixed and percentage commission, salary, or other) and must disclose the existence of any other benefits from sales incentive programs related to the transaction (note: as with compensation, this disclosure only applies to the type of compensation the intermediary receives, not the specific amount).

Example: A financial planner shall make timely written disclosure of all material information relative to the professional relationship including:

- A statement indicating whether the representative's compensation arrangements involve fee-only, commission-only, salary, fee and commission, or other forms of economic benefits from parties other than the client.

- Where financial products are used in implementing the planning strategy, the client must be informed of the basis on which the representative is compensated. To this end, the representative is governed by the accepted sales disclosure guidelines and regulations covering securities, mutual funds, real estate, insurance, and other financial products used in fulfilling the plan.

- A statement describing material agency or employment relationships a representative (or firm) has with third parties, including the nature of the compensation arrangements.

8. Client Redress

The intermediary must deal directly with all formal and informal complaints or disputes, or refer them to the appropriate person or process, in a timely and forthright manner.

The intermediary must be fully aware of all applicable processes for dealing with complaints and must disclose to all clients the channels available for pursuing different types of complaints (e.g., regarding conduct, service, or product performance). In the case of an individual authorized to do business in more than one sector, it is particularly important that the client be made aware of the different lines of accountability for complaint handling that are associated with each transaction. In situations where a dispute cannot be resolved intermediaries should provide to clients, preferably in writing, the redress mechanisms that can be pursued, depending on the product and type of complaint involved.

9. Compliance

If a financial industry association purports to set standards for its members, it is expected that such standards would be set out in a code of conduct which would incorporate the principles and practices set out in this document. The association is also expected to have a system to promote compliance and develop systems to resolve complaints against their members. Intermediaries who are not members of an association are expected to follow the principles and practices on the basis of adhering to industry best practices.

10. Definitions

"Client" means any customer or potential customer with whom an intermediary interacts in the course of his or her business.

"Intermediary" means a participant in the financial services industry who markets products or provides financial advice or services to clients. In a particular instance this could be a person, firm and/or a financial institution.

"Personal Information" means information that the client would expect to remain confidential because it was conveyed for the purpose of the financial transaction.

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
20-Feb-2003	23 Purchasers	Accurcast Corporation - Common Shares	99.95	10,000,000.00
20-Feb-2003	GOS Finance Inc.; The Rose Corporation	Accurcast Inc. - Notes	8,000,000.00	2.00
24-Feb-2003	3 Purchasers	Amerigo Resources Ltd. - Common Shares	55,000.00	239,129.00
20-Feb-2003	10 Purchasers	Anatolia Minerals Development Limited - Units	1,498,282.80	996,000.00
25-Feb-2003	4 Purchasers	Atlas Energy Ltd. - Common Shares	3,367,560.00	1,181,600.00
31-Oct-2003	14 Purchasers	Avista Software Corporation - Common Shares	385,000.00	385,000.00
17-Feb-2003	4 Purchasers	Beaufield Consolidated Resources Inc. - Common Shares	0.00	20,000.00
07-Feb-2003 2/19/03	6 Purchasers	Birim Goldfields Inc. - Units	1,063,149.50	3,037,570.00
27-Feb-2003	5 Purchasers	Birim Goldfields Inc. - Units	743,750.00	2,125,000.00
31-Jan-2003	Bank of Montreal Capital Corporation; Covington Fund II Inc.	Cancable Inc. - Common Shares	2,500,000.00	6,524,609.00
21-Feb-2003	Goldcorp. Inc.	Candente Resource Corp. - Common Shares	1,020,000.00	1,700,000.00
12-Feb-2003	20 Purchasers	Canico Resource Corp. - Common Shares	9,424,880.00	2,836,000.00
17-Feb-2003	INCO LIMITED	Canico Resource Corp. - Common Shares	20,801,765.00	5,732,473.00
05-Feb-2003	4 Purchasers	Cascades Inc. - Notes	5,500,000.00	7.00

14-Feb-2003	21 Purchasers	Central Fund of Canada Limited - Shares	14,144,147.00	2,070,900.00
19-Feb-2003	G. Scott Patterson;E. Duff Scott	CinemaNow, Inc. - Preferred Shares	52,223.00	101,156.00
21-Feb-2003	Elliot & Page;Credit Risk Advisors	Citgo Petroleum Corporation - Notes	9,721,202.53	2.00
14-Feb-2003	Royal Bank Capital Partners	Clean Air Partners, Inc. - Preferred Shares	1,600,000.00	3,121,951.00
01-Jan-2002 12/31/02	4 Purchasers	CMS Distressed Opportunities Fund-Q, L.P. - Limited Partnership Units	US$500,000.00	1.00
01-Jan-2002 12/31/02	1410248 Ontario Limited	CMS Distressed Opportunities Fund, L.P. - Limited Partnership Units	US$250,000.00	0.00
01-Jan-2002 12/31/02	13 Purchasers	CMS Entrepreneurial Real Estate Fund IV-Q, L.P. - Limited Partnership Units	US$6,375,000.00	3.00
01-Jan-2002 12/31/02	Fallbrook Holdings Limited	CMS Offshore Manager Select Fund, Ltd. - Limited Partnership Units	US$1,100,000.00	1,100.00
27-Jun-2002	1523659 Ontario Inc.	CMS Private Equity Partners XV111-Q, L.P. - Limited Partnership Units	US$100,000.00	0.00
09-Jan-2002	90356 Canada Inc.	CMS Private Equity Partners XV111, L.P. - Limited Partnership Units	US$1,250,000.00	1.00
01-Jan-2002 12/31/02	6 Purchasers	CMS/Procaccianti Hotel Opportunity Fund-Q, L.P. - Limited Partnership Units	US$1,900,000.00	2.00
21-Feb-2003	Richard Cooper	Defiant Energy Corporation - Common Shares	0.00	100,000.00
21-Feb-2003	Credit Risk Advisors	Doane Pet Care Co. - Notes	1,487,038.80	11.00
27-Feb-2003	Ray W. Kaizer	Doublestar Resources Ltd. - Units	27,000.00	60,000.00
01-Jan-2003	Royal Bank of Canada	D. E. Shaw Valence International Fund - Trust Units	5,092,244.23	1.00
21-Feb-2003	Raymond Li;Kitty C. Sun	D.A-Test Inc. - Common Shares	30,001.60	35,296.00
22-Oct-2002 10/28/02	24 Purchasers	EAGC Ventures Corp. - Special Warrants	9,997,800.40	7,141,286.00
13-Feb-2003	7 Purchasers	EAGC Ventures Corp. - Special Warrants	2,592,000.00	1,080,000.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Balanced Fund - Units	0.00	2,307,085.00

01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Canadian Bond Index Fund - Units	0.00	64,456,445.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Canadian Equity Fund - Units	0.00	16,604,022.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Canadian Large Cap Pooled Fund Trust - Units	0.00	5,369,524.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Canadian Long Bond Pooled Fund Trust - Units	0.00	21,372,888.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Canadian Short Term Investment Fund - Units	0.00	4,761,766.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald Global Equity Pooled Fund Trust - Units	0.00	2,610,657.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald International Equity Index Fund - Units	0.00	5,850,667.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald U.S. Enhanced Equity Pooled Fund Trust I - Units	0.00	4,453,297.00
01-Jul-2002 12/31/02	TD Asset Management Inc.	Emerald U.S. Market Index Fund - Units	0.00	6,034,422.00
13-Feb-2003	National Research Council	Energy Visions Inc. - Common Shares	77,000.00	210,000.00
01-Feb-2003	David M. Beck	Gladiator Limited Partnership - Units	50,000.00	15,622,108.00
20-Feb-2003	23 Purchasers	GOS Finance Inc. - Common Shares	9.97	1,000,000.00
17-Feb-2003	Cinram International Inc.	HSBC Short Term Investment Fund - Shares	1,000,000.00	99,754.00
17-Feb-2003	Yvan Couture;Larry Williamson	InDimensions Entertainment Group Inc. - Common Shares	750,000.00	2,723.00
11-Jan-2003	Paul Villeneuve	Info Terra Inc. - Common Shares	10,000.00	20,000.00
30-Apr-2002	4 Purchasers	Info Terra Inc. - Common Shares	325,000.00	1,687,000.00
21-Jan-2003 1/23/03	Augusta Holding Inc.	JPMorgan Fleming Investment Funds - Shares	117,487.31	665.00
31-Jan-2003	Sable;Mr. Jared	Kingwest Avenue Portfolio - Units	821,153.43	46,943.00
17-Feb-2003	Vivian Yip	Legal Services Plan Inc. - Common Shares	3,500.00	3,500.00
17-Feb-2003	David S. Wardhaugh	Legal Services Plan Inc. - Common Shares	5,000.00	5,000.00
17-Feb-2003	4 Purchasers	Liberty Mineral Exploration Inc. - Common Shares	21,000.00	210,000.00

23-Jan-2003	The Delphi Corporation;Steady Growth Investments Limited	LymphoSign Inc. - Common Shares	99,999.90	153,846.00
29-Jan-2003	3 Purchasers	LymphoSign Inc. - Common Shares	80,436.85	123,749.00
14-Feb-2003	Ontario Teachers Pension Plan Board	Macquarie Infrastructure Investment Management Limited - Notes	135,210,000.00	300.00
24-Feb-2003	8 Purchasers	Madison Enterprises Corp. - Units	2,000,000.00	100,000,000.00
12-Feb-2003	Chepa (Chun fang) Wang Trust	Maple PPF Market Neutral Trust No. 1 - Units	611,680.00	400,000.00
31-Jan-2003	4 Purchasers	MAPLE KEY Market Neutral LP - Limited Partnership Units	1,680,671.00	1,090,000.00
04-Nov-2002	National Bank Financial ITF The Goodwood Fund 2.0 Ltd	Medexus Inc. - Units	76,000.00	76,000.00
18-Feb-2003	VentureLink Fund Inc. The VenGrowth II Investment Fund Inc.	Meriton Networks Canada Inc. - Shares	2,814,035.00	30,288,214.00
31-Jan-2003 2/18/03	4 Purchasers	Meriton Networks Inc. - Shares	1,501,830.00	15,890,226.00
24-Jan-2003	Altamira Management Ltd.;Beutel;Goodman & Company Ltd.	Metro-Goldwyn-Mayer Inc. - Shares	2,892,785.75	183,500.00
25-Feb-2003	3 Purchasers	Metrus Western Properties Inc. - Bonds	6,750,000.00	6,750,000.00
04-Feb-2003	Trung Tran	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
07-Feb-2003	Elzbieta Redmayne	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
11-Feb-2003	Leo Klein	Microsource Online, Inc. - Common Shares	6,000.00	1,000.00
11-Feb-2003	Ken Brown	Microsource Online, Inc. - Common Shares	1,200.00	200.00
05-Feb-2003	J. Gordon Hall	Navaho Networks Inc. - Common Shares	150,000.00	150,000.00
12-Feb-2003	Gary R. Bartholomew	NetDriven Solutions Inc. - Shares	151,025.00	1,678,056.00
11-Feb-2003	14 Purchasers	Nova Growth Corp. - Common Shares	470,000.00	470,000.00
18-Feb-2003 2/26/03	Alan Bessey;James A. Goar	O'Donnell Emerging Companies Fund - Units	159,715.56	28,006.00
05-Feb-2003	7 Purchasers	OceanLake Commerce Inc. - Units	196,000.00	890,908.00

24-Feb-2003	1171777 Ontario Limited;Boyle & Company	OntZinc Corporation - Shares	361,194.92	443,291.00
18-Feb-2003	Platinum Group Metals Ltd.	Pacific North West Capital Corp. - Shares	45,000.00	75,000.00
30-Jan-2003	4 Purchasers	Patricia Mining Corp. - Units	115,000.00	383,334.00
18-Dec-2002 1/31/03	Dynex Capital Limited Partnership	Performance Plants Inc. - Shares	450,000.00	272,727.00
17-Feb-2003	Eclipse Holdings Limited;John Pappas	Planet Organic Health Corp. - Units	512,500.00	1,025,000.00
23-Sep-2002 11/22/02	8 Purchasers	Plasma Environmental Technologies Inc. - Common Shares	827,421.15	3,591,311.00
23-May-2002	3 Purchasers	Plasma Environmental Technologies Inc. - Units	50,775.00	338,500.00
15-Aug-2002	Roland Andrews;Jeff Potwarka	Plasma Environmental Technologies Inc. - Units	25,500.00	170,000.00
14-Feb-2003	N/A	Queenstake Resources Ltd. - Shares	382,250.00	1,194,531.00
12-Feb-2003	Bank of Montreal;Elliot & Page	Rite Aid Corporation - Notes	2,293,050.00	1,500.00
20-Feb-2003	25 Purchasers	Rubicon Minerals Corporation - Units	1,569,960.00	1,520,200.00
25-Feb-2003	19 Purchasers	Second World Trader Inc. - Units	6,210.00	25.00
19-Feb-2003	The Toronto-Dominion Bank;Royal Bank of Canada	Skylon Global High Yield Trust - Units	122,300,000.00	4,654,650.00
18-Feb-2003	15 Purchasers	SKN Resources Ltd. - Units	395,100.00	878,000.00
11-Feb-2003	444788 Ontario Ltd.;Jerrold Williamson	Solitaire Minerals Corp. - Units	16,000.00	160,000.00
17-Mar-2003	4 Purchasers	Sparton Resources Inc. - Common Shares	0.00	300,000.00
20-Feb-2003	5 Purchasers	Tengtu International Corp. - Units	1,019,807.45	677,968.00
21-Feb-2003	Business Development Bnak of Canada;Venture Coaches Fund LP	TENXC WIRELESS INC. - Units	1,480,000.00	1,480,000.00
18-Feb-2003	Altamira Management Ltd.	The Timken Company - Shares	677,115.60	30,000.00
29-Jan-2003	4 Purchasers	Threads of Time Inc. - Preferred Shares	30,000.00	60,000.00
06-Feb-2003	4 Purchasers	Ursa Major International Inc. - Units	330,000.00	660,000.00

13-Feb-2003	3 Purchasers	Wydom Inc. - Units	7,607,376.75	5,006,500.00
13-Feb-2003	3 Purchasers	Xceed Holdings Inc. - Common Shares	1,332,833.00	1,332,833.00

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
MacKay Shields LLC	Algoma Steel Inc. - Common Shares	4,331,454.00
Larry Melnick	Champion Natural Health.com Inc. - Shares	29,900.00
Cheng Feng Zhou	China Ventures Inc. - Shares	7,948,500.00
James M. Brady	Crowflight Minerals Inc. - Common Shares	2,000,000.00
John A. van Arem	Digital Rooster.com. Ltd - Common Shares	151,148.00
Anthony Korculanic	Digital Rooster.com. Ltd - Common Shares	133,600.00
John H. Kruzick	DRC Resoures Corporation - Common Shares	404,900.00
Perdana Technology Venture SDn. Bhd	EleTel Inc. - Common Shares	5,500,000.00
Paros Enterprises Limited	Morguard Corporation - Common Shares	2,000,000.00
Canaccord Capital Corporation	Mosaic Technologies Corporation - Common Shares	1,802,843.00
Northfield Inc.	NFX Gold Inc. - Common Shares	660,000.00
DKRT Family Corp.	The Thomson Corporation - Common Shares	200,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Crescent Point Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated February 24, 2003
Mutual Reliance Review System Receipt dated February 26, 2003
Offering Price and Description:
$10,030,000 - 2,360,000 Class A Shares Issuable upon the Exercise of Special Warrants @ $4.25 per Special Warrant
Underwriter(s) or Distributor(s):
Yorkton Securities Inc.
Griffiths McBurney & Partners
FirstEnergy Capital Corp.
National Bank Financial Inc.
Haywood Securities Inc.
Octagon Capital Corporation
Promoter(s):
Paul Colborne
Project #516386

Issuer Name:
ING Canadian Dividend Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 28, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
Offering Investor Exclusive and Institutional Class Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
ING Investment Management, Inc.
Project #517871

Issuer Name:
Mackenzie High Income Fund
Mackenzie Real Return Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 25, 2003
Mutual Reliance Review System Receipt dated February 26, 2003
Offering Price and Description:
Offering Series A, F, I and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #516528

Issuer Name:
McLean Budden Balanced Value Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated February 28, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
Class A and B Units
Underwriter(s) or Distributor(s):
McLean Budden Limited
McLean, Budden Limited
McLean Budden Limited
Mclean Budden Limited
Promoter(s):
McLean Budden Limited
Project #517572

Issuer Name:
Real Resources Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 3, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
$15,345,000 - 3,100,000 Common Shares @ $4.95 per Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Yorkton Securities Inc.
FirstEnergy Capital Corp.
Griffiths McBurney & Partners
Promoter(s):
-
Project #518016

Issuer Name:
Rio Narcea Gold Mines, Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 27, 2003
Mutual Reliance Review System Receipt dated February 27, 2003
Offering Price and Description:
$34,200,000 - 21,900,000 Common Shares issuable upon the exercise of 21,000,000 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #516954

Issuer Name:
Wheaton River Minerals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 28, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
$333,500,000 - 230,000,000 Common Shares and 57,500,000 Series ''A'' Common Share
Purchase Warrants issuable upon the exercise of 230,000,000
previously issued Subscription Receipts @ $1.45 per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Griffiths McBurney & Partners
Canaccord Capital Corporation
CIBC World Markets Inc.
Yorkton Securities Inc.
Fahnestock Canada Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #517995

Issuer Name:
Amtelecom Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 26, 2003
Mutual Reliance Review System Receipt dated February 26, 2003
Offering Price and Description:
$59,575,000.00 - 5,957,500 Units @$10.00 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Sprott Securities Inc.
Promoter(s):
Amtelecom Group Inc.
Project #507546

Issuer Name:
Bioxel Pharma Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated February 27, 2003
Mutual Reliance Review System Receipt dated February 28, 2003
Offering Price and Description:
$10,000,000.00 - 14,285,715 Common Shares @$0.70 per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
National Bank Financial Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #491965

Issuer Name:
Canadian Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 27, 2003
Mutual Reliance Review System Receipt dated February 27, 2003
Offering Price and Description:
$50,050,000.00 - 3,850,000 Units @$13.00 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 #514172

Issuer Name:
Clarica Income Fund
Clarica Premier Bond Fund
Clarica Equifund
Clarica Canadian Blue Chip Fund
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated February 21, 2003 to the Simplified Prospectus and Annual Information Form dated August 28, 2002
Mutual Reliance Review System Receipt dated February 26, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Mutual Funds Inc.
Project #465930

Issuer Name:
All-Canadian CapitalFund
(Units)
All-Canadian ConsumerFund
(Units)
All-Canadian Resources Corporation
(Special Shares)
Coleford Private Balanced Fund
(Series A and Series F Shares)
Type and Date:
Final Simplified Prospectus dated February 17, 2003
Receipted on February 26, 2003
Offering Price and Description:
Units, Special Shares and Series A and F Shares
Underwriter(s) or Distributor(s):
All Canadian Management Inc.
All - Canadian Management Inc.
All - Canadian Management Inc
Promoter(s):
-
Project #504235

Issuer Name:
Fidelity Managed Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated February 27, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Investments Canada Limited
Project #508440

Issuer Name:
GGOF Monthly High Income Fund II
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated February 25, 2003 to the Simplified Prospectus and Annual Information Form dated October 10, 2002
Mutual Reliance Review System Receipt dated February 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Guardian Group of Funds Ltd.
Promoter(s):
Guardian Group of Funds Ltd.
Project #480032

Issuer Name:
Investors Group Inc.
Principal Regulator - Manitoba
Type and Date:
Amendment #1 dated February 24, 2003 to Final Shelf Prospectus dated April 27, 2002
Mutual Reliance Review System Receipt dated February 26, 2003
Offering Price and Description:
$1,500,000,000
Debt Securities (unsecured)
First Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #349136

Issuer Name:
Royal Precious Metals Fund
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated February 21, 2003 to the Annual Information Form dated July 16, 2002
Mutual Reliance Review System Receipt dated February 27, 2003
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
Promoter(s):
RBC Fund Inc.
Project #459378

Issuer Name:
Specialty Foods Group Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated February 28, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
175,000,000.00 - 17,500,000 Units @$10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Specialty Foods Group, Inc.
Project #490948

Issuer Name:
TheraMed Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated February 28, 2003
Mutual Reliance Review System Receipt dated March 3, 2003
Offering Price and Description:
Up to $5,000,000.00 - 14,285,714 Units @ $0.35 per Unit (each Unit consisting of one Common Share and one Warrant)
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #494607

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Imperial Capital Corporation Attention: Jeffrey Lee Rosenthal Designated Compliance Officer 100 King Street West PO Box 438, Suite 5102 Toronto ON M5X 1E3	Limited Market Dealer	Feb 26/03
New Registration	Sound Shore Management, Inc. Attention: Prema K.R. Thiele 8 Sound Shore Drive Suite 180 Greenwich CT 06836 USA	International Adviser Investment Counsel & Portfolio Manager	Feb 26/03
New Registration	Imprimis Capital Ltd. Attention: Michael Paul Smith 400, 407 - 8th Avenue SW Calgary AB T2P 1E5	Limited Market Dealer	Feb 27/03
New Registration	Return on Innovation Advisors Ltd. Attention: John Fitzgerald Sterling 4 King Street West Suite 1800 Toronto ON M5H 1B6	Investment Counsel & Portfolio Manager	Feb 27/03
New Registration	Dunedin Securities Inc. c/o FMD Service (Ontario) Inc. Attention: W. Jas Bullock 66 Wellington Street West, Suite 3600 Toronto Dominion Bank Tower, TD Centre Toronto ON M5K 1N6	Investment Dealer Equities	Feb 27/03
New Registration	American Express Financial Advisors, Inc. Attention: Stephen W. Roszell 707 2nd Avenue South Minneapolis MN 55443 USA	International Dealer	Feb 28/03
New Registration	Aberdeen Fund Managers Inc. Attention: Michael R. Holder c/o Borden Ladner Gervais LLP Scotia Plaza, 40 King Street West Toronto ON M5H 3Y4	Non-Canadian Advisor Investment Counsel & Portfolio Manager	Mar 04/03
New Registration	Marlow Group Securities Inc. Attention: Jan Martasek, Chief Compliance Officer 45 St. Clair Avenue West Toronto ON M4V 1K9	Investment Dealer Equities	Mar 04/03

Type	Company	Category of Registration	Effective Date
New Registration	Brompton Capital Advisors Inc. Attention: Donald William Cross Lillie 200 Bay Street Suite 2315 Toronto ON M5J 2J2	Limited Market Dealer Investment Counsel & Portfolio Manager	Mar 04/03
Change in Category (Categories)	CBID Markets Inc. Attention: Laurence David Rose 372 Bay Street 20th Floor Toronto ON M5H 2W9	From: Investment Dealer Equities To: Investment Dealer Equities Futures Commission Merchant	Mar 03/03
Change in Category (Categories)	CTI Capital Inc. Attention: Jim Ellick c/o NBC Clearing Services Inc. 121 King Street West, 6th Floor Toronto ON M5H 3T9	From: Limited Market Dealer To: Investment Dealer Equities	Mar 05/03

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