

The Ontario Securities Commission

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 11, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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Susan Wolburgh Jenah, Vice-Chair	—	SWJ
Paul K. Bates	—	PKB
Robert W. Davis, FCA	—	RWD
Harold P. Hands	—	HPH
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Mary Theresa McLeod	—	MTM
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

April 18, 2006		In the Matter of Certain Directors, Officers and Insiders of Royal Group Technologies Limited
3:00 p.m.		

s. 127(1) and 127(5)

P. Hayward in attendance for Staff

Panel: TBA

April 19, 2006		Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow
9:30 a.m.		

s.127 & 127.1

D. Ferris in attendance for Staff

Panel: PMM

April 21, 2006		Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg
10:30 a.m.		

Motion Hearing

s. 127

M. MacKewn & T. Hodgson for Staff

Panel: SWJ/WSW/CSP

April 24, 2006		In the Matter of Certain Directors, Officers and Insiders of Bennett Environmental Inc.
10:00 a.m.		

s. 127(1) and 127(5)

P. Hayward in attendance for Staff

Panel: TBA

April 25, 2006 11:00 a.m.	Terrence William Marlow, Marlow Group Private Portfolio Management Inc. and Marlow Group Securities Inc. s. 127 and 127.1 G. MacKenzie in attendance for Staff Panel: PMM	June 26, 2006 10:00 a.m.	Universal Settlement International Inc.
April 25, 2006 2:00 p.m.	Fulcrum Financial Group Inc., Secured Life Ventures Inc., Zephyr Alternative Power Inc., Troy Van Dyk, William L. Rogers, Leszek Dziadecki, Werner Reindorf and Reindorf Investments Inc. s. 127 and 127.1 G. Mackenzie in attendance for Staff Panel: PMM	June 27, 2006 2:30 p.m.	s. 127 & 127.1 Y. Chisholm in attendance for Staff Panel: TBA
May 4, 2006 10:00 a.m.	Juniper Fund s. 127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ	June 28-30, 2006 10:00 a.m.	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton s. 127 J. Cotte in attendance for Staff Panel: TBA
May 31, 2006 10:00 a.m.	Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited S. 127 T. Hodgson in attendance for Staff Panel: TBA	July 31, 2006 10:00 a.m.	James Patrick Boyle, Lawrence Melnick and John Michael Malone* s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA * Malone settled December 22, 2005
June 9, 2006 10:00 a.m.	Olympus United Group Inc. s.127 M. MacKewn in attendance for Staff Panel: TBA	October 16, 2006 to November 10, 2006 10:00 a.m.	Yama Abdullah Yaqeen s. 8(2) J. Superina in attendance for Staff Panel: TBA
June 9, 2006 10:00 a.m.	Norshield Asset Management (Canada) Ltd. s.127 M. MacKewn in attendance for Staff Panel: TBA	TBA	Cornwall et al s. 127 K. Manarin in attendance for Staff Panel: TBA
		TBA	Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig s. 127 J. Waechter in attendance for Staff Panel: TBA

TBA **John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir**

S. 127 & 127.1

K. Manarin in attendance for Staff

Panel: TBA

TBA **Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulbee and Peter Y. Atkinson**

s.127

J. Superina in attendance for Staff

Panel: SWJ/RWD/MTM

TBA **Philip Services Corp., Allen Fracassi**, Philip Fracassi**, Marvin Boughton**, Graham Hoey**, Colin Soule*, Robert Waxman and John Woodcroft****

s. 127

K. Manarin & J. Cotte in attendance for Staff

Panel: TBA

* Settled November 25, 2005

** Settled March 3, 2006

TBA **Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers***

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: WSW/RWD/CSP

* Settled April 4, 2006

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

1.2 Notices of Hearing

1.2.1 Terrence William Marlow et al.

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

AND

**IN THE MATTER OF
TERRENCE WILLIAM MARLOW,
MARLOW GROUP PRIVATE PORTFOLIO
MANAGEMENT INC.
AND MARLOW GROUP SECURITIES INC.**

**NOTICE OF HEARING
Sections 127 and 127(1)**

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at its offices at 20 Queen Street West, 17th Floor Hearing Room on Wednesday, the 25th day of April, 2006, at 11:00 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to s.127 and s. 127.1 of the *Securities Act*, it is in the public interest for the Commission to make:

- 1) an order against Terrence William Marlow that:
 - (a) he resign any positions he holds as director or officer of a reporting issuer, pursuant to paragraph 7 of s.127(1);
 - (b) he be prohibited from becoming or acting as officer or director of a reporting issuer, pursuant to paragraph 8 of s.127(1); and
 - (c) he be reprimanded, pursuant to paragraph 6 of s.127(1).
- 2) an order against all of the Respondents that:
 - (a) the registrations granted to the Respondents under Ontario securities law be suspended permanently pursuant to paragraph 1 of s. 127(1);
 - (b) trading in any securities by the Respondents cease permanently pursuant to paragraph 2 of s.127(1) subject to such terms and conditions as the Commission may impose pursuant to s.144; and

(c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently pursuant to paragraph 3 of s.127(1).

3) such further orders as the Commission considers appropriate.

BY REASON OF the allegations set out in the Amended Statement of Allegations dated April 4, 2006, and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 4th day of April, 2006.

“John Stevenson”
Secretary to the Commission

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

AND

**IN THE MATTER OF
TERRENCE WILLIAM MARLOW,
MARLOW GROUP PRIVATE PORTFOLIO
MANAGEMENT INC.
AND MARLOW GROUP SECURITIES INC.**

**AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

I. The Respondents

1. Terrence William Marlow ("Marlow") is an individual residing in the province of Ontario and is the President of both Marlow Group Private Portfolio Management Inc. ("Marlow Private") and Marlow Group Securities Inc. ("Marlow Securities").
2. Marlow Private is a corporation incorporated pursuant to the laws of Ontario and was registered with the Commission as an investment counsel and portfolio manager ("ICPM") and limited market dealer ("LMD"). Marlow Private's registrations with the Commission are currently suspended.
3. Marlow Securities is a corporation incorporated pursuant to the laws of Ontario and was registered with the Investment Dealers Association ("IDA") as a dealer in the category of investment dealer. The registration of Marlow Securities has been terminated by the IDA.
4. Marlow was registered with the Commission as a director and as an advising and trading officer of Marlow Private. He was the Ultimate Responsible Person and Chief Compliance Officer in respect of Marlow Private's ICPM registration and the Designated Compliance Officer in respect of Marlow Private's LMD registration. Marlow was also registered with the IDA as a director and as a trading officer of Marlow Securities. Marlow's registrations with the Commission and the IDA are currently suspended.

II. Events leading to the Respondents' Suspension

(i) Failure to File Audited Financial Statements and Maintain Proper Books and Records

5. Marlow Private failed to file its audited financial statements with the Commission for the year ended December 31, 2003, due April 1, 2004, in

contravention of sections 21.10(4) and 139 of Regulation 1015 (the "Regulations") to the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act").

6. On October 22, 2004, Staff conducted a preliminary compliance review of the books and records of Marlow Private. The review revealed deficiencies in the books and records of Marlow Private, including that client trust accounts and portfolios had not been reconciled for several months.

(ii) Identification of Trust Account Deficiency

7. On December 7, 2004, the interim Chief Operating Officer of Marlow Private and Marlow Securities (the "COO") advised Staff that an extensive review of the available accounting and client records, and meetings with the largest clients of Marlow Private and Marlow Securities, revealed that there was a deficiency between the cash balance owed to clients and the cash balance in the client trust account in the name of Marlow Private (the "Trust Account Deficiency").

8. The COO provided Staff with a client account balance reconciliation for both Marlow Private and Marlow Securities detailing the cash balances owed to clients (the "Reconciliation"). The COO also advised Staff that there appeared to be a number of unallocated client investments that could satisfy most of the Trust Account Deficiency.

9. Following the identification of the Trust Account Deficiency, the Commission imposed a temporary order on December 17, 2004, and the amendments thereto by orders dated December 22, 2004, and January 4, 2005, all on consent. These orders suspended the registrations of the Respondents and required the Respondents to cease trading subject to two specified exceptions, pending further order of the Commission.

10. In addition to completion of the Reconciliation, Staff also required an audit (the "Audit") of the Reconciliation and that Marlow Private surrender the cash balance of the Trust Account totaling approximately \$476,000.

III. Events Following the Respondents' Suspension

11. The Audit report, dated January 7, 2005, confirmed that the cash balance of Marlow Private's account was significantly less than amounts Marlow Private was required to be holding in trust for its clients. The Trust Account Deficiency was estimated to be approximately \$3,400,000.

12. Following the completion of the Reconciliation and the Audit, Marlow and representatives of six clients (the "Six Clients") who were owed

approximately 95% of the Trust Account Deficiency attempted to address concerns regarding the missing funds and to negotiate repayment from Marlow.

13. These negotiations were unsuccessful. On March 9, 2005, the Six Clients obtained an order of the Ontario Superior Court of Justice appointing A. Farber & Partners Inc. as the receiver and manager (the "Receiver") of all assets, undertakings, and properties of the Respondents (the "Receivership Order"), including the \$476,000 surrendered by Marlow Private as described in paragraph 10 above.

IV. The Results of the Receiver Reports

14. Between March 2005 and January 2006, the Receiver undertook a court-approved process of identifying, recovering and distributing the assets of the Corporate Respondents.

15. The First Report of the Receiver, dated April 11, 2005, included the Receiver's initial findings regarding the Corporate Respondents' books and records. The Receiver reported that:

- (i) client funds were co-mingled with general corporate funds;
- (ii) record keeping and reporting systems and procedures, including those designed to maintain proper documentation and records, were weak or absent, resulting in inadequate or missing documentation with respect to many transactions; and
- (iii) unallocated client assets identified by the Receiver would not be sufficient to cover the Trust Account Deficiency.

16. Between April 2005 and September 2005, the Receiver continued its review of the Corporate Respondents' books and records. Marlow did not cooperate with the Receiver as required by the Receivership Order.

17. The Third Report of the Receiver, dated August 15, 2005, concluded that the Trust Account Deficiency had an estimated value of \$3,415,000 and was attributable to the following:

- (i) substantial spending by the Corporate Respondents on leasehold improvements and purchases of furniture and art;
- (ii) financing of overheads and ongoing losses sustained by the Corporate Respondents; and

- (iii) a substantial investment by the Corporate Respondents in a privately owned company.

18. The Fourth Report of the Receiver dated September 30, 2005:

- (i) confirmed that the vast majority of securities purchased by Marlow Private were notionally allocated, but not registered, to individual investors; and
- (ii) estimated that the Respondents' clients, including the Six Clients, would recover approximately 60% of cash balances owed to them.

19. Marlow has never provided any satisfactory explanation to Staff or the Receiver regarding the Trust Account Deficiency.

20. On January 6, 2006, the Ontario Superior Court of Justice made an order authorizing the bankruptcy of the Corporate Respondents, but not Marlow personally (the "Bankruptcy Order") and appointed the Receiver as the trustee in bankruptcy (the "Trustee").

V. Conduct Contrary to the Public Interest by the Respondents

21. The Respondents have breached Ontario securities law and engaged in conduct contrary to the public interest by failing:

- (i) to deal fairly, honestly, and in good faith with their clients, contrary to s. 2.1 of Rule 31-505.
- (ii) to maintain books, records and other documents necessary for the proper recording of business transactions and financial affairs executed on behalf of others, contrary to s. 19 of the Act and s. 113(1) of the Regulations.
- (iii) to deposit into a trust account and properly identify funds or prepayments held on behalf of clients contrary to s. 118-119 of the Regulations.
- (iv) to file with the Commission audited financial statements for Marlow Private for the year ended December 31, 2003, in contravention of s. 21.10(4) of the Act and s. 139 of the Regulations.

22. Staff reserve the right to make such further allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 4th day of April, 2006.

1.2.2 Limelight Entertainment Inc. et al. - ss. 127, 127(1)

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

AND

**IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA,
DAVID C. CAMPBELL AND JACOB MOORE**

**NOTICE OF HEARING
Sections 127 and 127(1)**

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*") at its offices at 20 Queen Street West, 17th Floor Hearing Room on Thursday, the 13th day of April, 2006 at 10:00 a.m. or as soon thereafter as the hearing can be held to consider whether, pursuant to s. 127 and s. 127.1 of the *Act*, it is in the public interest for the Commission:

- (1) to issue a temporary order that all trading in the securities of Limelight Entertainment Inc. ("Limelight") cease (the "Temporary Order") pursuant to s. 127(5) of the *Act*;
- (2) at the conclusion of the hearing, to make an order pursuant to paragraph 2 of s. 127(1) that trading in the securities of Limelight cease until further order of this Commission;
- (3) at the conclusion of the hearing, to make an order against any or all of the Respondents that:
 - (a) trading in any securities of or by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of s. 127 (1);
 - (b) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of s. 127(1);
 - (c) the Respondents be reprimanded, pursuant to paragraph 6 of s. 127(1);
 - (d) the individual Respondents be prohibited from becoming or acting as a director or officer of any issuer pursuant to paragraph 8 of s. 127(1);
 - (e) the Respondents be prohibited from telephoning residences within or outside Ontario for the purpose of trading in securities, pursuant to section 37(1);

- (f) the Respondents pay an administrative penalty for failing to comply with Ontario securities law, pursuant to paragraph 9 of s. 127(1);
- (g) the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of s. 127(1); and
- (h) the Respondents be ordered to pay the costs of the Commission investigation and the costs of, or related to, this hearing, pursuant to s. 127.1; and

- (4) to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated April 4, 2006 and such further additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 7th day of April, 2006.

"John P. Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA,
DAVID C. CAMPBELL AND JACOB MOORE**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

THE PARTIES

1. Limelight Entertainment Inc. ("Limelight") is an Ontario corporation incorporated on August 14, 2000. Limelight is not registered in any capacity with the Commission.
2. Limelight was dissolved by the Corporation Tax Branch on or about November 29, 2004 and was revived on or about September 27, 2005.
3. The president and a director of Limelight is Carlos A. Da Silva. Mr. Da Silva was formerly registered with the Commission as a securities salesperson with Marchmont and MacKay Limited from March 25, 1994 to November 21, 1997 and with C. J. Elbourne Securities Inc. from November 28, 1997 to June 30, 2000.
4. The vice president of Limelight is David C. Campbell. Mr. Campbell is not registered in any capacity with the Commission.
5. Jacob Moore is employed by and/or acted as agent for Limelight and acted as a salesperson for Limelight shares. Mr. Moore is not registered in any capacity with the Commission.

SALE OF SHARES TO THE PUBLIC

6. On or about July 23, 2004, Limelight filed a Form 45-103F4 – Report of Exempt Distribution ("Form F4") with the Commission relating to the distribution of common shares of Limelight to 9 investors in Alberta, Saskatchewan, British Columbia and Ontario.
7. The Form F4 did not list or disclose any commissions or finders' fees paid in connection with the distribution of Limelight shares.
8. The Form F4 stated that the Limelight shares were distributed on July 14, 15, and 16, 2004 and was signed by Carlos Da Silva, president of Limelight.

9. On or about October 13, 2004, Limelight filed a second Form F4 with the Commission relating to the distribution of common shares of Limelight to 69 investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, the United States, Barbados and the United Kingdom.
10. The second Form F4 also did not disclose any commissions or finders' fees paid in connection with the distribution of Limelight shares.
11. The second Form F4 was also signed by Carlos Da Silva, president of Limelight and reported on trades from July 27, 2004 to September 17, 2004 inclusive.
12. On or about October 13, 2004, Limelight filed a Form 45-501F1 – Report under section 72(3) of the *Act* or section 7.5(1) of Rule 45-501 with the Commission relating to the distribution of Limelight shares to 29 investors in Alberta and Ontario.
13. The Form 45-501F1 did not disclose any compensation or participation fees paid and stated that the accredited investor exemption found in section 2.3 of Rule 45-501 was being relied upon.
14. The Form 45-501F1 was signed by George Schwartz on behalf of Carlos Da Silva, president of Limelight.
15. The Form 45-501F1 incorrectly listed the dates of the 29 trades as October 4, 2004 whereas the trades actually occurred on or between June 10, 2004 and August 29, 2004.
16. In selling Limelight shares to Ontario residents and residents of other jurisdictions, Limelight has purported to rely upon the exemption for selling securities to accredited investors contained in OSC Rule 45-501 (now National Instrument 45-106) in circumstances where the exemption is not available.
17. Since August 2004, Limelight through its officers, directors, employees and/or agents acting as salespersons has continued to sell Limelight shares to residents of Ontario and elsewhere.
18. Staff allege that Limelight and Carlos Da Silva have filed untrue and misleading forms with the Commission and misrepresented that the sale of Limelight shares reported in the two Form F4s and one Form 45-501F1 are exempt distributions and that no commissions or fees were paid as part of these distributions.
19. Staff allege that from May 2004 to April 2006 inclusive, Limelight sold approximately 1,500,000 Limelight shares to in excess of 600 investors at prices which ranged from \$0.50 to \$2.00 per share.

20. Limelight hired Jacob Moore and others who acted as salespersons for Limelight shares and who received commissions on the sale of Limelight shares sold by these salespersons.
21. Staff allege that Carlos Da Silva, David Campbell and Jacob Moore have acted as securities salesperson and advisors contrary to the registration requirements found in s. 25 of the *Act*.
22. The trades in Limelight shares were trades in securities not previously issued and were therefore distributions.
23. No prospectus receipt has been issued to qualify the sale of Limelight shares.
24. Limelight and the individual Respondents made representations regarding: (i) the future value of Limelight shares; and (ii) Limelight being listed on a stock exchange with the intention of effecting trades in Limelight shares.

MISLEADING STATEMENTS MADE BY CARLOS DA SILVA TO STAFF

25. By letter received by Staff on May 12, 2005, Carlos Da Silva advised Staff that each potential Limelight investor is told that the investment opportunity is only available to accredited investors. This same information was provided to Staff during a voluntary interview with Mr. Da Silva on December 13, 2005.
26. Staff allege that Mr. Da Silva's explanation of the process followed by Limelight's salespersons was misleading and intended to lead Staff to conclude that Limelight was only selling shares to accredited investors.
27. During a voluntary interview with Staff on December 13, 2005, Carlos Da Silva also advised Staff he did not know whether Limelight sold any shares to Ontario investors in 2005.
28. According to the Limelight shareholders' list, Limelight sold approximately 84,500 Limelight shares to approximately 33 Ontario investors in 2005. During 2005, Limelight also issued: (i) 10,750,000 shares to Carlos Da Silva; (ii) 1,000,000 shares to David Campbell; and (iii) apparently 408,000 shares to other Limelight employees and salespersons.
29. Staff allege that the information provided by Mr. Da Silva to Staff on December 13, 2005 was misleading and intended to lead Staff to conclude that Limelight was no longer selling shares to Ontario investors.

CONDUCT CONTRARY TO THE PUBLIC INTEREST

30. Limelight, its directors, officers and its salespersons have made misleading representations to Staff and to investors, including representations regarding the future listing and future value of Limelight shares with the intention of effecting sales of Limelight shares contrary to s. 38 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*") and contrary to the public interest.
31. Limelight and Da Silva have made misrepresentations in two Form F4s and one Form 45-501F1 filed with the Commission contrary to s. 122(1) of the *Act* and contrary to the public interest.
32. None of Limelight, Carlos Da Silva, Jacob Moore nor David Campbell is registered with the Commission. The respondents have traded in securities and acted as securities salespersons and/or advisors contrary to s. 25 of the *Act* and acted contrary to the public interest.
33. No prospectus receipt has been issued to qualify the sale of Limelight shares contrary to s. 53 of the *Act* and contrary to the public interest.
34. As officers and directors of Limelight, Carlos Da Silva and David Campbell have authorized, permitted or acquiesced in breaches of s. 25, s. 38 and s. 53 of the *Act* by Limelight and its salespersons contrary to s. 129(2) of the *Act* and in doing so have engaged in conduct contrary to the public interest.
35. Such additional allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 7th day of April, 2006

1.4 Notices from the Office of the Secretary

1.4.1 Momentas Corporation et al.

**FOR IMMEDIATE RELEASE
April 5, 2006**

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

AND

**IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS**

AND

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

AND

**IN THE MATTER OF
SUZANNE MORRISON**

TORONTO – At a hearing held on April 4, 2006, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Ontario Securities Commission and Suzanne Morrison.

A copy of the Order and the Settlement Agreement are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Director, Communications
and Public Affairs
416-593-8120

Eric Pelletier
Manager, Media Relations
416-595-8913

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 Momentas Corporation et al.

**FOR IMMEDIATE RELEASE
April 5, 2006**

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

AND

**IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS**

TORONTO – At a hearing held on April 4, 2006, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Ontario Securities Commission and Malcolm Rogers.

A copy of the Order and the Settlement Agreement are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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1-877-785-1555 (Toll Free)

1.4.3 Momentas Corporation et al. - ss. 127, 127.1

FOR IMMEDIATE RELEASE
April 6, 2006

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

AND

**IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS
(Sections 127 and 127.1)**

TORONTO – Following a hearing held today in the above noted matter, the Commission issued an Order adjourning the commencement of the hearing to May 23, 2006, commencing at 10:00 a.m., peremptory to all parties.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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Eric Pelletier
Manager, Media Relations
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For investor inquiries: OSC Contact Centre
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1-877-785-1555 (Toll Free)

1.4.4 Terrence William Marlow et al.

FOR IMMEDIATE RELEASE
April 6, 2006

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

AND

**IN THE MATTER OF
TERRENCE WILLIAM MARLOW,
MARLOW GROUP PRIVATE PORTFOLIO
MANAGEMENT INC. AND
MARLOW GROUP SECURITIES INC.**

TORONTO – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on April 25, 2006 at 11:00 a.m. in the above noted matter.

A copy of the Notice of Hearing and Staff's Statement of Allegations are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Director, Communications
and Public Affairs
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Eric Pelletier
Manager, Media Relations
416-595-8913

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.5 Nortel Networks Corporation and Nortel Networks Limited

**FOR IMMEDIATE RELEASE
April 10, 2006**

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

AND

**IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
NORTEL NETWORKS CORPORATION AND
NORTEL NETWORKS LIMITED**

TORONTO – Following a hearing held today, the Commission issued a final Order under paragraphs 2 and 2.1 of subsection 127(1) of the Act that all trading in and acquisitions of securities of Nortel Networks Corporation and Nortel Networks Limited, whether direct or indirect, by any of the Respondents cease until two business days following the receipt by the Commission of all filings Nortel Networks Corporation and Nortel Networks Limited are required to make pursuant to Ontario securities laws.

A copy of the Order is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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and Public Affairs
416-593-8120

Eric Pelletier
Manager, Media Relations
416-595-8913

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

1.4.6 Fulcrum Financial Group Inc. et al.

**FOR IMMEDIATE RELEASE
April 11, 2006**

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

AND

**IN THE MATTER OF
FULCRUM FINANCIAL GROUP INC.,
SECURED LIFE VENTURES INC.,
ZEPHYR ALTERNATIVE POWER INC.,
TROY VAN DYK AND WILLIAM L. ROGERS**

TORONTO – Following a hearing held today, the Commission issued an Order extending the Temporary Order against the Respondents until the completion of the hearing of this matter.

A copy of the Order is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
and Public Affairs
416-593-8120

Eric Pelletier
Manager, Media Relations
416-595-8913

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.7 Limelight Entertainment Inc. et al.

FOR IMMEDIATE RELEASE
April 11, 2006

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

AND

**IN THE MATTER OF
LIMELIGHT ENTERTAINMENT INC.,
CARLOS A. DA SILVA,
DAVID C. CAMPBELL AND JACOB MOORE**

TORONTO – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on April 13, 2006 at 10:00 a.m. in the above noted matter.

A copy of the Notice of Hearing and Staff's Statement of Allegations are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Environmental Management Solutions Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirement to provide in an information circular disclosure regarding executive compensation, securities authorized for issuance under equity compensation plans, indebtedness of directors and executive officers – Disclosure not relevant to decision whether to approve financing transaction.

Applicable Legislative Provisions

National Instrument 51-102 - Continuous Disclosure Obligations, Part 9 and s. 13.1, and Form 51-102F5 - Information Circular, items 8, 9 and 10.

February 24, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, ONTARIO,
AND QUÉBEC
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
ENVIRONMENTAL MANAGEMENT
SOLUTIONS INC.
(the Applicant)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (each, a Decision Maker and collectively, the Decision Makers) in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement to include in the Applicant's Information Circular (defined below) the information required in Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations* by Item 8 - Executive Compensation, Item 9 - Securities Authorized for Issuance

under Equity Compensation Plans, and Item 10 - Indebtedness of Directors and Executive Officers (the Required Disclosure).

In accordance with the provisions of section 5.3 of National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications*, the Applicant has requested that the Decision Makers treat this decision document, and the application and supporting materials submitted in connection herewith, in confidence until the earlier of March 15, 2006, and such date as the Applicant mails and files the Information Circular, which is expected to occur on or about March 1, 2006 (the exemption from the requirement to make the Required Disclosure referred to in the first recital together with the confidential treatment of this decision document, and the application and supporting materials submitted in connection herewith, being hereafter referred to, collectively, as the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the System):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker (collectively, the Decision).

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this Decision unless they are defined in the Decision.

Representations

This Decision is based on the following facts represented by the Applicant:

1. The Applicant was incorporated on August 31, 2000, under the *Business Corporations Act* (Alberta) and was continued under the *Canada Business Corporations Act* on September 28, 2004, and to the best of its knowledge, is not in default of any of the requirements of the securities legislation of any of the Jurisdictions.
2. The Applicant's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. As at February 2, 2006, there were 38,012,247 common shares and no preferred shares issued and outstanding.

3. The Applicant's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "EMS".
4. The Applicant has called a special meeting (the Special Meeting) to be held on or about March 22, 2006, to ask shareholders to consider and if thought advisable, to pass a resolution authorizing the Company to complete a financing agreement (the Financing) with ONCAP II, L.P. (ONCAP) under which the Applicant would be provided with \$20,000,000 of new capital through the issuance of 20,000 units; each unit consisting of a \$950 principal amount of secured convertible debenture (each a Debenture, and collectively the Debentures) and 500, \$0.10 convertible preferred shares in the capital of the Applicant (each a Preferred Share, and collectively the Preferred Shares).
5. This capital will be used by the Applicant to: (i) repay all existing indebtedness of the Applicant and its subsidiaries, except for approximately \$800,000 in capital leases; (ii) acquire the minority interest in a subsidiary of the Applicant, Les Composts du Quebec Inc. (CDQ) of approximately 29% so that the Applicant will indirectly own 100% of CDQ; (iii) pay for the \$1.7 million settlement with a shareholder of the Applicant, Frank D'Addario and certain of his related parties; (iv) finance approved capital expenditures; and (v) pay the fees associated with the ONCAP Financing.
6. To be implemented, the Financing must be approved by a majority of the votes cast by the shareholders at the Special Meeting.
7. The management proxy circular of the Applicant (the Information Circular) in connection with the Special Meeting will be mailed to the shareholders of the Applicant on or about March 1, 2006.
8. The Debentures, of which an aggregate principal amount of \$19,000,000 will be issued at closing, will bear interest of 5% per annum payable quarterly. The terms of the Debentures include covenants and events of default customary for a convertible secured debenture in these circumstances. ONCAP will have the right to convert the Debentures (as a unit together with the applicable number of Preferred Shares) into common shares at a conversion price equal to \$0.323, subject to adjustment as further described in the Applicant's press release dated December 19, 2005, publicly available on SEDAR.
9. The Preferred Shares, of which 10 million will be issued at closing (having an aggregate principal amount of \$1,000,000), will carry a right to dividends equal to 5% per annum payable quarterly. The Preferred Shares will be convertible (as a unit together with the applicable amount of Debentures) into common shares at a conversion price of \$0.323, subject to adjustment as further described in the Applicant's press release dated December 19, 2005, publicly available on SEDAR. The Preferred Shares will have the right to vote at all meetings of shareholders along with the issued and outstanding common shares. Following closing, ONCAP's voting position at meetings of shareholders will be approximately 21%.
10. Based on the number of issued and outstanding common shares as of the date hereof and assuming the conversion (as a unit) of the Debentures and the Preferred Shares, ONCAP would own approximately 63% of the common shares and have a voting position of approximately 63% at meetings of shareholders.
11. Under the terms of the Debentures, and as permitted by the Applicant's articles of continuance, the board of directors of the Applicant will be fixed at four directors, provided that ONCAP will have the right to nominate up to two additional directors at any time for appointment by the board. In addition ONCAP will have the right to appoint two observers who will have the right to receive notice of, and attend, all meetings of directors.
12. It is expected that at closing, four of the eight current directors of the Applicant will resign. The board will set the number of directors at four, as permitted by its articles of continuance. It is expected that immediately following closing the board will include the current President and CEO of the Applicant, Tony Busseri, and three existing independent directors. The Applicant intends to include disclosure describing these arrangements in the Information Circular and to include disclosure consistent with Item 7 of Form 51-102F5 in respect of these directors in the Information Circular.
13. It is a covenant of the Debentures that at the Applicant's next annual meeting in May 2006, and each subsequent meeting during the term of the Debenture, a slate of four directors, or, if ONCAP has triggered its right to nominate two additional directors, six directors (including the ONCAP nominees) will be put forward for election by shareholders.
14. The Legislation in the Jurisdictions requires that, subject to the relief referred to herein being granted, the Information Circular include the Required Disclosure.
15. The Required Disclosure was provided to the shareholders in the information circular dated March 31, 2005 (the 2005 Annual and Special Meeting Circular), that was mailed to shareholders in connection with the holding of the Applicant's

annual and special meeting of shareholders held on April 29, 2005, and which is publicly available on SEDAR.

16. There has been no material change in the Required Disclosure since it was last publicly disclosed, and it is not relevant to a shareholder's decision whether or not to vote in favour of the Financing.
17. The Required Disclosure will be provided in an information circular that is to be prepared in connection with the Applicant's regular annual meeting that is scheduled to be held in May 2006. It is anticipated that such information circular will be mailed to shareholders on or about March 31, 2006.
18. Confidential treatment by the Decision Makers of this decision document, and the application and supporting materials submitted in connection herewith, until the earlier of March 15, 2006 and the date on which the Information Circular is mailed to the Applicant's shareholder and filed on SEDAR (which is expected to take place on or about March 1, 2006), is expected to avoid the potential for selective disclosure of certain aspects of the proposed Financing transaction prior to the date on which the Information Circular, which will contain comprehensive disclosure regarding same, is mailed to all of the Applicant's shareholders.

Decision

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 Requested Relief is granted.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.2 SCI Income Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption granted from the requirement to include certain financial statements in respect of a newly-incorporated, wholly-owned subsidiary of an income fund in an information circular – the information circular will be sent to the fund's unitholders in connection with a proposed internal reorganization that will replace the fund's operating company with a new operating limited partnership – shares of the subsidiary will be issued to the fund's unitholders for an instant in time in order to allow the reorganization to be effected in a tax-deferred manner – the rights of unitholders in respect of the fund and their relative indirect interests in and to the revenues of the fund's business will not be affected by the reorganization.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, Form 51-102 F5 – Information Circular, Item 14.2.

April 5, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA
AND NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)**

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

AND

**IN THE MATTER OF
SCI INCOME TRUST (the Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application of the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer be exempt from the requirements of section 14.2 of Form 51-102F5 *Information Circular* of National Instrument 51-102 - *Continuous Disclosure Obligations* to include the following financial statements in the Filer's management information circular (the **Circular**) prepared in connection with the annual general and special meeting (the **Meeting**) of the Filer's unitholders (**Unitholders**) to consider and approve, among other things, the Reorganization (as defined below):

- (a) audited financial statements of Newco (as defined below), and
- (b) audited financial statements in respect of a probable significant acquisition of the Business (as defined below) by Newco

(the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 - *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

- 1. The Filer is a limited purpose trust established under the laws of Ontario pursuant to an amended and restated declaration of trust dated as of May 23, 2002. The Filer is authorized to issue an unlimited number of units (**Units**). As of December 31, 2005, 7,779,000 Units were issued and outstanding.
- 2. The Filer holds all of the voting common shares and the notes issued by Simmons Canada Inc. (**SCI Opco**), an Ontario corporation, which carries on the Simmons Canada mattress and foundation manufacturing business (the **Business**).
- 3. The Filer completed its initial public offering on October 16, 1997 pursuant to a long form prospectus dated October 2, 1997 (the **Prospectus**).
- 4. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of any of its obligations under the Legislation.
- 5. It is proposed that the Filer's present organizational structure undergo an internal reorganization (the **Reorganization**) to replace SCI Opco with a new operating limited partnership (**SCI LP**) to carry on the Business. SCI LP will be indirectly owned by the Filer through a subsidiary trust (the **Trust**).
- 6. The Filer has scheduled the Meeting for May 25, 2006 to, among other things, approve the Reorganization.

- 7. The Reorganization will occur on a tax-deferred basis for the Filer and its Unitholders resident in Canada.
- 8. After giving effect to the Reorganization, the direct and indirect interests of the Filer in the assets of SCI LP and its general partner and in the Business will be the same as the interests that the Filer held in SCI Opco and the Business immediately prior to the Reorganization.
- 9. As part of the Reorganization:
 - (a) all of the operating assets of SCI Opco will be transferred to SCI LP for consideration that includes limited partnership units of SCI LP;
 - (b) the Filer will incorporate a wholly-owned subsidiary corporation (**Newco**) in connection with, and for the purpose of effecting, the Reorganization;
 - (c) the Filer will distribute to Unitholders Class A shares of Newco (the **Class A Shares**) on a *pro rata* basis, as a return of capital on the date of the Reorganization;
 - (d) the Filer will transfer its securities and notes of SCI Opco to Newco;
 - (e) Newco will amalgamate with SCI Opco, and the Filer will acquire the assets of the amalgamated entity (hereinafter referred to as **Amalco**), including the limited partnership Units of SCI LP in exchange for Units;
 - (f) the Class A Shares distributed to Unitholders will be redeemed by Amalco on the date of the Reorganization in exchange for the Units it received in the preceding step;
 - (g) the Units received by Unitholders upon the redemption of the Class A Shares in the preceding step will be automatically consolidated on the same date as the Reorganization; and
 - (h) the Filer will transfer the assets acquired from Amalco, including the limited partnership units of SCI LP, to the Trust in exchange for units and notes of the Trust.
- 10. Neither the number of issued and outstanding Units nor the relative holdings of Units by any Unitholder will be altered as a result of the completion of the Reorganization.

11. The Class A Shares and additional Units distributed to Unitholders will be outstanding for an instant in time on the date of the Reorganization prior to their automatic redemption and consolidation, respectively.
12. The Reorganization is being undertaken in order to structure the flow of revenues created by the Business and distributed to the Filer by its operating subsidiary on a efficient basis. The rights of Unitholders in respect of the Filer and their relative indirect interests in and to the revenues of the Business will not be affected by the Reorganization.
13. The distribution of the Class A Shares and additional Units are, in each case, done solely to allow the Reorganization to be effected in such a manner as to ensure that Unitholders, the Filer and the Filer's subsidiaries will be able to make use of available roll-overs under applicable tax legislation, thus preserving the tax-deferred status of the Reorganization.
14. Prior to the mailing of the Circular, the audited consolidated annual financial statements of the Filer for the financial year ended December 31, 2005 (the **2005 Financial Statements**) (which include the financial results for SCI Opco for such period) will be filed on SEDAR and will be incorporated by reference into the Circular. The Filer has prepared and filed on SEDAR audited annual financial statements for the financial years ended December 31, 2003 and 2004 (collectively, together with the 2005 Financial Statements, the **SCI Financial Statements**). The SCI Financial Statements will be incorporated by reference in the Circular.

Decision

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 Requested Relief is granted provided that:

- (a) the Filer complies with all other requirements of the Legislation applicable to the Circular; and
- (b) the SCI Financial Statements are incorporated by reference into the Circular.

“Erez Blumberger”
Assistant Manager, Corporate Finance

2.1.3 Baker Bros. Advisors, LLC - MRRS Decision

Headnote

Mutual Reliance Review System - Relief from the requirements in securities legislation to send an information circular to shareholders in connection with the solicitation of proxies from such shareholders - Exemption granted to allow communication with shareholders in a manner limited to that currently allowed under the Canada Business Corporations Act without first sending an information circular – Applicant ultimately intends to send an information circular in order to solicit proxies.

Applicable Ontario Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 9.1(2), 9.2(2), 13.1.

March 3, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA
AND NEWFOUNDLAND AND LABRADOR
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
BAKER BROS. ADVISORS, LLC (THE FILER)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Makers) in each of the Jurisdictions has received an application from the Filer, on its own behalf and on behalf of the Funds (defined below), for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement to send an information circular to shareholders of AnorMED Inc. (AnorMED) concurrently with or before the Filer and/or the Funds' potential solicitation of proxies for the special meeting of the shareholders scheduled for April 11, 2006 (the Meeting) (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- 2. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

In this decision,

“CBCA” means the *Canada Business Corporations Act*, and

“Funds” means Baker Bros. Investments, LP, Baker Bros. Investments II, LP, Baker Biotech Fund I, L.P., Baker Biotech Fund II, L.P., Baker Biotech Fund II (Z), L.P., Baker Biotech Fund III, L.P., Baker Biotech Fund III (Z), L.P., 14159, L.P. and Baker/Tisch Investments, LP;

Representations

- 3. The Filer represents that:
 - 1. AnorMED exists under the CBCA with its head office in Vancouver, British Columbia and is a reporting issuer, or the equivalent, in each of the provinces of Canada;
 - 2. AnorMED’s common shares are listed on the Toronto Stock Exchange and the American Stock Exchange;
 - 3. the Filer is an investment management firm based in New York City, USA and is the investment manager for the Funds;
 - 4. the Funds hold 9,411,500 common shares of AnorMED, representing approximately 23.26% of its outstanding common shares;
 - 5. on January 16, 2006, the Funds requisitioned the Meeting under section 143 of the CBCA for the purpose of removing the directors of AnorMED, electing in their stead individuals proposed by the Funds and conducting such other business as may properly come before the Meeting;
 - 6. on February 2, 2006, AnorMED called the Meeting to be held on April 11, 2006 with a record date of February 28, 2006;
 - 7. on February 20, 2006, AnorMED issued a press release refuting certain positions

- put forward by the Funds in Schedule 13D filings with the SEC;
- 8. the Filer intends to send AnorMED’s shareholders an information circular in order to solicit proxies in connection with the Meeting;
- 9. before sending the circular to the shareholders, and as soon as possible, the Filer and/or the Funds intend to publicly state their views and reasons for their requisition in compliance with the CBCA;
- 10. in particular, the Filer and/or the Funds intend to issue a press release in response to the press release issued by AnorMED on February 20, 2006 and to otherwise communicate with the shareholders
 - (a) by way of public announcement as contemplated by subparagraph (b)(v) of the definition of “solicit” or “solicitation” in section 147 of the CBCA and section 67 of the Regulations under the CBCA, or
 - (b) by way of public broadcast, speech or publication as contemplated in subsection 150(1.2) of the CBCA and section 69 of the Regulations under the CBCA; and
- 11. the procedures for proxy solicitation contemplated by the CBCA and its Regulations are not available under the Legislation.

Decision

- 4. 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 Requested Relief is granted, provided that the Filer and/or the Funds, as applicable, comply with the applicable proxy solicitation provisions of the CBCA and its Regulations.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission

2.1.4 Generali Beteiligungs-GmbH - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application under Section 104(2)(c) of the Securities Act (Ontario) – Exemption from Sections 95-100 of Securities Act (Ontario) – Take-over bid in Ontario by German corporation that is not a reporting issuer in any Canadian jurisdiction – Filer acquiring limited liability company incorporated under the laws of Germany – de minimis exemption not available – Filer cannot conclusively determine how many Canadian shareholders there are because target issued bearer securities and does not maintain a share register – Evidence suggests the number of Canadian shareholders less than the de minimis threshold – Germany is not recognized by the Commission for the purposes of de minimis exemption – Commission granted relief as take-over bid conducted in accordance with the laws of Germany providing protections to target shareholders – All material provided to foreign shareholders to be provided to Ontario shareholders – All shareholders treated equally

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(1)(e), 95-100 and 104(2)(c).

March 24, 2006

**IN THE MATTER OF THE
SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK
AND NEWFOUNDLAND AND LABRADOR
(the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
GENERALI BETEILIGUNGS-GmbH
(the “Filer”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the formal take-over bid requirements contained in the Legislation, including the provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors’ circular

and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the “Take-over Bid Requirements”) shall not apply to trades made in connection with the proposed offer (the “Offer”) by the Filer for the acquisition of up to 15,631,629 shares (the “Available Target Shares”) in the capital of AMB Generali Holding AG with registered office in Aachen, Germany (the “Target”), being the number of shares in the capital of the Target not currently held by the Applicant, Assicurazioni Generali S.p.A. (its parent company) and their affiliated companies (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a limited liability company incorporated under the laws of the Federal Republic of Germany. The Filer is controlled by Assicurazioni Generali S.p.A. of Trieste, Italy. Assicurazioni Generali S.p.A. and its affiliated companies are herein referred to as the “Generali Group”.
2. The Filer’s registered office is located at Aachen, Germany.
3. The Filer is not a reporting issuer or the equivalent in any of the Jurisdictions. The Filer’s securities are not listed or quoted for trading on any Canadian stock exchange or market or anywhere else.
4. The Target is a corporation incorporated under the laws of the Federal Republic of Germany. As with the Filer, the Target is controlled by Assicurazioni Generali S.p.A. of Trieste, Italy. The Target and its affiliated companies are herein referred to as the “Target Group”. The Target is the management holding company of one of the large primary insurance groups in Germany, managing the German units of the international Generali Group. Since 1997, the Target has been operating as the internal reinsurer of the Target

- Group and has thus been in charge of the Target Group's treaty reinsurance business and the management of the Target Group's external reinsurance requirements.
5. The Target's registered office is located at Aachen, Germany. The Target is registered in the commercial register of the lower court of Aachen under HRB 93.
 6. The Target's issued share capital registered in the commercial register amounts to €137,420,784.64 and is divided into 53,679,994 ordinary bearer shares without par value, each representing a proportionate amount of the share capital of €2.56. The shares of the Target are traded on the official market (*Amtlicher Markt*) of the Frankfurt (Prime Standard), Berlin-Bremen, Düsseldorf, Hamburg and München stock exchanges, as well as traded in the unofficial regulated market (*Freiverkehr*) of the Hanover and Stuttgart stock exchanges. The shares of the Target constitute "equity securities" for the purposes of the definition of "take-over bid" in section 89(1) of the Act.
 7. The Target is not a reporting issuer or equivalent in any of the Jurisdictions. The Target's securities are not listed or quoted for trading on any Canadian stock exchange or market.
 8. The Filer currently holds approximately 55.29% of the shares in the capital of the Target. The Generali Group, including the Filer, currently holds (directly and indirectly) approximately 70.88% of the shares in the capital of the Target.
 9. On March 6, 2006, the Filer announced its intention to make a voluntary public tender offer for the acquisition of the 15,631,629 Available Target Shares (being those shares in the capital of the Target that are not already held by the Filer and the other companies in the Generali Group), for cash consideration. The Filer intends to offer €98.00 per Available Target Share in cash (with a dividend right as of January 1, 2005), implying a total offer consideration of up to €1,531,899,642. The implementation of the Offer and the purchase and ownership transfer agreements resulting from acceptance of the Offer will be subject to the satisfaction of certain conditions that will be set out in the Offer Document.
 10. The Offer is being made and the Offer Document reflecting the terms of the Offer is being prepared exclusively in accordance with the laws of the Federal Republic of Germany (in particular, in compliance with the German *Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG)* and statutory regulations based on the WpÜG), and in accordance with the provisions of Regulation 14E of the U.S. *Securities Exchange Act of 1934* applicable to this Offer and applicable exemptions.
 11. The Offer Document has been submitted for review to the applicable securities regulatory authority in Germany. It is expected that the Offer Document will be published and made available to the holders of the Available Target Shares immediately after approval by the German regulator, which is currently expected on or around March 28, 2006. In accordance with German law, the Offer Document (and an English convenience translation) will be available on the Internet at <http://www.generali.com> and a notification regarding the publication of the Offer Document will be published in a national German newspaper also specifying where and how the shareholders may obtain a copy of the Offer Document free of charge. For further details on the publication see paragraphs 13 and 14 below.
 12. As permitted by German law, the Target has issued bearer securities and does not maintain a share register. Accordingly, any information about the Shares of the Target held by shareholders in Canada can only be determined on a limited enquiry basis. Pursuant to those inquiries, residency information was obtained in respect of 8.57% of the total outstanding shares in the capital of the Target (being approximately 30% of the Available Target Shares). Based on such enquiry, the Filer believes that as of February 24, 2006 there were five holders of shares in the capital of the Target resident in Canada, holding in total shares representing approximately 0.01% of the entire issued share capital of the Target. The Filer believes that at least one of these shareholders is located in each of British Columbia, Alberta, Manitoba, Ontario and Québec. As a result of the fact that the Target has issued bearer shares, the Filer is unable to determine conclusively where the holders of the Available Target Shares reside.
 13. The Filer expects to publish the Offer Document on or around March 28, 2006, in accordance with section 14 para. 3 of the WpÜG. The German version of the Offer Document and its non-binding English convenience translation will be published on the internet at <http://www.generali.com>. In addition, an announcement regarding the publication of the German Offer Document will be published in the *Börsen-Zeitung* in Germany. Copies of the Offer Document and its English translation will be available free of charge at the financial print office, which is expected to be Bowne Frankfurt GmbH, Bettinastrasse 30, D-60325 Frankfurt am Main, Germany, and at the settlement agent, which is expected to be HSBC Trinkaus & Burkhardt, Königsallee 21/23, D-40212 Düsseldorf, Germany.

14. An announcement of the publication of the Offer Document and the availability of its English translation will also be made in the U.S. edition of *The Wall Street Journal* in the United States of America, and will indicate the relevant email address and fax number for requesting the Offer Document.
15. The settlement agent will provide the Custodian Banks with copies of the Offer Document to be sent to their customers who are shareholders of the Target resident in Germany or the United States of America. While the Filer will also publish a non-binding English convenience translation of the Offer Document, the English translation has not been reviewed by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin), and the German Offer Document shall be the only binding offer document. Beyond that, as permitted under German law, the Filer does not expect to deliver any materials to the holders of the Available Target Shares in general (as the Target has issued bearer shares and does not maintain a share register or other record of the addresses of its shareholders). However, in the event that any material relating to the Offer is sent by the Filer generally to holders of the Available Target Shares in Germany, such material will also be sent to holders of Available Target Shares residing in the Jurisdictions (if addresses are known), along with an English translation for convenience purposes.
16. A public announcement in a national Canadian newspaper and in a French language newspaper widely distributed in Québec, made at the same time as the public announcement in the national German newspaper or as soon as practicable after issuance of this order, will specify where and how the shareholders may obtain a copy of the Offer Document or an English convenience translation free of charge. As soon as practicable after such date, the Filer will also file a copy of the Offer Document with the Decision Makers.
17. The *De Minimis* Exemption is not available to the Filer since the bid is not being made in compliance with the laws of a jurisdiction that is recognized by the Commission for this purpose under Recognition Order 62-904. Also, because the Target does not maintain a share register, the Filer is unable to determine conclusively the number of holders of the Available Target Shares resident in Ontario, or the number of Available Target Shares held by any such persons.
18. In accordance with German law (home jurisdiction of both the Filer and the Target), the Offer treats all shareholders (including Canadian holders) equally.

Decision

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 Requested Relief is granted provided that:

- (i) the Offer and all amendments to the Offer are made in compliance with the laws of the Federal Republic of Germany,
- (ii) any material relating to the Offer that is sent by the Filer generally to the holders of the Available Target Shares in Germany will be sent by the Filer to the holders of the Available Target Shares resident in the Jurisdictions (if addresses are known) together with an English convenience translation and copies thereof filed with the Decision Maker in each Jurisdiction, and
- (iii) the Filer makes a public announcement in a national Canadian newspaper and in a French newspaper that is widely circulated in Québec specifying where and how holders of the Available Target Shares in the Jurisdictions may obtain a copy of the Offer Document (or an English convenience translation) free of charge.

"Paul K. Bates"
Commissioner
Ontario Securities Commission

"Susan Wolburgh Jenah"
Commissioner
Ontario Securities Commission

2.1.5 Sherritt International Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - In connection with a series of proposed Dutch auction issuer bids, offeror exempt from requirement to take up and pay for securities deposited proportionately according to the number of securities deposited to the bids and the associated disclosure requirement - Offeror exempt from formal valuation requirement on the basis that there is a liquid market for the securities subject to each issuer bid - Decision terminates in 24 months.

Applicable Ontario Legislative Provisions

Securities Act, R.S.O. 1990 c. S.5, as am., ss. 95(7), 104(2)(c).

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 189 and Item 9 of Form 33.

March 29, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEW BRUNSWICK, NEWFOUNDLAND,
NOVA SCOTIA, ONTARIO, QUÉBEC AND
SASKATCHEWAN (the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
SHERRITT INTERNATIONAL CORPORATION
(the Filer)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with the proposed purchases from time to time by the Filer of portions of its outstanding 7% Convertible Unsecured Subordinated Debentures due December 15, 2013 (the Debentures) under issuer bids, the Filer be exempt from the requirements in the Legislation to

- (a) take up and pay for securities proportionately according to the number of securities deposited by each securityholder;

(b) provide disclosure in the issuer bid circulars (the Circulars) of such proportionate take-up and payment; and

(c) except in Ontario and Québec, obtain a valuation of the Debentures and provide disclosure in the Circulars of the valuation, or summaries of the valuation (the Valuation Requirement);

(collectively, the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the System),

(a) the British Columbia Securities Commission is the principal regulator for the Application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

2. Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

3. This decision is based on the following facts represented by the Filer:

1. the Filer is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation;
2. the Filer's head office is in Toronto, Ontario;
3. the Filer's authorized capital consists of an unlimited number of common shares of which 151,133,889 were outstanding as at February 28, 2006;
4. the Filer had Debentures in the aggregate principal amount of \$299,887,000 outstanding as at February 28, 2006;
5. the Debentures and the common shares trade on The Toronto Stock Exchange;
6. to the Filer's knowledge, no person or company holds more than 10% of the aggregate principal amount of outstanding Debentures;

7. on February 28, 2006, the closing price of the common shares on The Toronto Stock Exchange was \$10.17 and the closing price of the Debentures on The Toronto Stock Exchange was \$149.95 per \$100 principal amount of Debentures;
8. the Filer proposes to purchase Debentures from time to time through issuer bids, with an initial bid to acquire the aggregate principal amount of \$50,000,000 of Debentures, representing approximately 16.67% of the outstanding Debentures;
9. the Filer anticipates using cash on hand to acquire the Debenture under the bids;
10. the bids will be made under a Dutch auction procedure as follows:
- (a) the Filer will specify in the Circular the maximum aggregate principal amount of Debentures (the Specified Amount) that the Filer intends to purchase and the range of prices (the Range) within which the Filer is prepared to purchase Debentures under the bid;
 - (b) holders of Debentures (the Debentureholders) wishing to tender to a bid will be able to specify the lowest price within the Range at which they are willing to sell their Debentures (an Auction Tender);
 - (c) Debentureholders wishing to tender to a bid but who do not wish to make an Auction Tender may elect to be deemed to have tendered at the Clearing Price determined in accordance with paragraph (d) below (a Purchase Price Tender);
 - (d) the purchase price (the Clearing Price) of the Debentures tendered to an Offer will be the lowest price that will enable the Filer to purchase the Specified Amount of Debentures and will be determined based upon the aggregate principal amount of Debentures tendered under an Auction Tender at each price within the Range and tendered under a Purchase Price Tender, with each Purchase Price Tender being considered a tender at the lowest price in the Range for the purpose of calculating the Clearing Price;
 - (e) the Filer will not ascertain the aggregate amount that it will expend under a bid until it has determined the Clearing Price;
 - (f) the Filer will take up and pay for all Debentures tendered at or below the Clearing Price under an Auction Tender and all Debentures tendered under a Purchase Price Tender at the Clearing Price, plus accrued and unpaid interest, subject to pro ration (calculated to the nearest whole \$1,000 principal amount of Debentures, so as to avoid the creation of fractional Debentures) if the aggregate principal amount of Debentures tendered at or below the Clearing Price under Auction Tenders and the aggregate principal amount of Debentures tendered under Purchase Price Tenders exceeds the Specified Amount;
 - (g) the Filer will return all Debentures tendered at prices above the Clearing Price to the appropriate Debentureholders;
 - (h) all Debentures tendered by Debentureholders who specify a tender price for such tendered Debentures that falls outside the Range will be considered to have been improperly tendered, will be excluded from the determination of the Clearing Price, will not be purchased by the Filer and will be returned to the tendering Debentureholders; and
 - (i) all Debentures tendered by Debentureholders who fail to specify any tender price for such tendered Debentures and fail to indicate that they have tendered their Debentures under a Purchase Price Tender will be considered to have been tendered under a Purchase Price Tender and will be dealt with as described in paragraph (f) above;

11. the Filer will not prepare a formal valuation in connection with the bids as the Filer will rely on the liquidity exemption that is available to it under Ontario Securities Commission Rule 61-501 and Autorité des marchés financiers Regulation Q-27 (the Liquidity Exemption);
12. before a bid expires, all information regarding the aggregate principal amount of Debentures tendered and the prices at which the Debentures are tendered will be kept confidential, and the Filer will direct the depositories to maintain confidentiality until the Clearing Price is determined;
13. since each issuer bid will be for less than all the then-outstanding Debentures, if the aggregate principal amount of Debentures tendered to a bid at or below the Clearing Price exceeds the Specified Amount, the Legislation would require the Filer to
 - (a) take up and pay for deposited Debentures proportionately, according to the principal amount of Debentures deposited by each Debentureholder, and
 - (b) disclose in each Circular that the Filer would, if Debentures tendered to the particular bid exceeded the Specified Amount, take up the Debentures proportionately according to the aggregate principal amount of Debentures tendered by each Debentureholder;
14. the Circulars will:
 - (a) disclose the mechanics for the take-up of and payment for, or the return of, Debentures as described in paragraph 10 above, and
 - (b) explain that, by tendering Debentures at the lowest price in the Range, a Debentureholder can reasonably expect that the Debentures so tendered will be purchased at the Clearing Price, subject to proration as described in paragraph 10 above.

Decision

4. 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 Requested Relief is granted provided that:
 - (a) Debentures tendered to the Offers are taken up and paid for, or returned to the Debentureholders, in the manner and circumstances described in paragraph 10 above,
 - (b) in respect of the Valuation Requirement, the Filer relies on the Liquidity Exemption in Ontario and Québec, and
 - (c) this decision will terminate twenty-four months from the date of the decision.

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission

2.2 Orders

2.2.1 Momentas Corporation et al.

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

AND

**IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS**

AND

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

AND

**IN THE MATTER OF
SUZANNE MORRISON**

**ORDER
(SUZANNE MORRISON)**

WHEREAS on June 24, 2005, the Commission issued a Notice of Hearing pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and Staff of the Commission filed an accompanying Statement of Allegations with respect to the conduct of Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison ("Morrison") and Malcolm Rogers as it related to the sale of securities of Momentas Corporation;

AND WHEREAS on March 31, 2006, the Commission issued a Notice of Hearing pursuant to subsection 127(1) of the Act and an accompanying Statement of Allegations in respect of the conduct of Morrison as it related to the sale of securities of Momentas Realty;

AND WHEREAS Morrison entered into a Settlement Agreement with Staff of the Commission dated March 31, 2006 (the "Settlement Agreement") in which she agreed to a proposed settlement of the proceedings commenced by the Notices of Hearing issued on June 24, 2005 and March 31, 2006, subject to the approval of the Commission;

AND WHEREAS the Commission issued a Notice of Hearing dated March 31, 2006 setting down the hearing to consider the settlement;

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, the Statements of Allegations, and upon hearing submissions of counsel for Staff of the Commission and counsel for Morrison;

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

IT IS HEREBY ORDERED pursuant to subsection 127(1) and section 127.1 of the Act that:

1. Morrison shall cease trading in securities for a period of 10 years, except after a period of 2 years Morrison shall be permitted to trade in securities for her own registered retirement savings plan or registered retirement income fund through a registered dealer, effective from the date of the order of the Commission approving the Settlement Agreement;
2. all exemptions contained in Ontario securities law shall not apply to Morrison for a period of 10 years, except after a period of 2 years Morrison shall be permitted to trade in securities for her own registered retirement savings plan or registered retirement income fund through a registered dealer, effective from the date of the order of the Commission approving the Settlement Agreement;
3. Morrison shall forthwith resign any positions that she holds as an officer and/or director of any issuer;
4. Morrison shall be prohibited for a period of 10 years from becoming or acting as an officer and/or director of any issuer, effective from the date of the order of the Commission approving the Settlement Agreement; and
5. Morrison shall pay to the Commission a portion of the costs of its investigation in the amount of \$7,500.00 within 90 days of the date of the order approving the Settlement Agreement.

DATED this 4th day of April, 2006

"M. Theresa McLeod"

"Suresh Thakrar"

2.2.2 Momentas Corporation et al.

"M. Theresa McLeod"

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

"Suresh Thakrar"

AND

**IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT AND SUZANNE MORRISON**

**ORDER
(MALCOLM ROGERS)**

WHEREAS on June 24, 2005, the Commission issued a Notice of Hearing pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and an accompanying Statement of Allegations;

AND WHEREAS the Respondent, Malcolm Rogers ("Rogers"), entered into a Settlement Agreement with Staff of the Commission dated April 3, 2006 (the "Settlement Agreement") in which he agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS the Commission issued a Notice of Hearing dated April 3, 2006 setting down the hearing to consider the settlement;

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, the Statement of Allegations, and upon hearing submissions of counsel for Staff of the Commission and counsel for Rogers;

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

IT IS HEREBY ORDERED pursuant to subsection 127(1) of the Act that:

1. Rogers shall forthwith resign any positions that he holds as an officer and/or director of any issuer for a period of 3 years, except that he shall be permitted to act as an officer and/or director of his current employer, XtraKare Corporation of America Inc., or its affiliates, effective from the date of the order of the Commission approving the Settlement Agreement; and
2. Rogers shall be prohibited from becoming or acting as an officer and/or director of any issuer for a period of 3 years, except that he shall be permitted to act as an officer and/or director of his current employer, XtraKare Corporation of America Inc., or its affiliates, effective from the date of the order of the Commission approving the Settlement Agreement.

DATED this 4th day of April, 2006

2.2.3 Momentas Corporation et al.

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

AND

IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS

ORDER

WHEREAS on June 24, 2005, the Commission issued a Notice of Hearing pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and an accompanying Statement of Allegations;

AND WHEREAS on October 4, 2005, the Commission ordered that the hearing of this matter proceed for five days commencing April 3, 2006;

AND WHEREAS at the commencement of the hearing the Commission was advised that Staff of the Commission had entered into a settlement agreement with the Respondent, Suzanne Morrison;

AND WHEREAS subsequently, on April 3, 2006, Staff entered into a further settlement agreement with the Respondent, Malcolm Rogers;

AND WHEREAS on April 4, 2006, the Commission approved the settlement agreements entered into by Suzanne Morrison and Malcolm Rogers;

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

IT IS HEREBY ORDERED that the hearing of this matter is adjourned to May 23, 2006, commencing at 10:00 a.m., peremptory to all parties.

DATED this 6th day of April, 2006

"Robert W. Davis"

"Carol S. Perry"

"Wendell S. Wigle"

2.2.4 Nortel Networks Corporation and Nortel Networks Limited - ss. 127(1)2, 127(1)2.1

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

AND

IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS
AND INSIDERS OF
NORTEL NETWORKS CORPORATION AND
NORTEL NETWORKS LIMITED
(BEING THE PERSONS AND COMPANIES LISTED
IN SCHEDULE "A" HERETO)

ORDER
(Paragraph 127(1)2 and 2.1)

WHEREAS on March 27, 2006, each of the persons and companies listed in Schedule "A" (individually, a "Respondent" and collectively, the "Respondents") was notified that the Director made an order (the "Temporary Order") that day under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that the Respondents cease trading in any securities of Nortel Networks Corporation ("NNC") and Nortel Networks Limited ("NNL") for a period of 15 days from the date of Temporary Order;

AND WHEREAS the Respondents were notified that a hearing would be held to determine if it would be in the public interest to make an order under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that the Respondents cease trading in and acquisitions of any securities of NNC and NNL permanently or for such period as is specified in the order;

AND WHEREAS the hearing was held on the 10th day of April, 2006;

AND UPON hearing the following evidence:

1. Each of NNC and NNL is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.
2. Each of the Respondents is, or was, at some time since the end of the period covered by the last financial statements filed by NNC and NNL, namely September 30, 2005, a director, officer or insider of NNC or NNL and during that time had, or may have had, in the ordinary course access to material information with respect to NNC and NNL that has not been generally disclosed.
3. On March 10, 2006, NNC issued and subsequently filed on SEDAR a press release disclosing that each of NNC and NNL will restate their financial results for 2003 and 2004 and for the first nine months of 2005, and will have adjustments for periods prior to 2003 primarily due to revenue incorrectly recognized in prior periods

that should have been deferred to future periods. The press release further indicated that pending the issuance by NNC's and NNL's independent auditors of its audit opinions in respect of NNC's and NNL's restated financial statements, the previously filed financial statements of NNC and NNL for such periods, including the corresponding interim financial statements, and the auditors' reports on the respective annual financial statements should not be relied upon.

4. Each of NNC and NNL further failed to file the following annual continuous disclosure documents for the year ended December 31, 2005 by the prescribed deadline under Ontario securities law, namely March 31, 2006:

- (i) annual report on Form 10-K for the year ended December 31, 2005 (the "Form 10-K") which includes: (A) audited annual consolidated financial statements for such period, prepared in accordance with United States generally accepted accounting principles ("GAAP"), together with the Canadian GAAP reconciliation and other information required by Part 4 of National Instrument 52-107; and (B) management's discussion and analysis ("MD&A") for such period prepared in accordance with Item 303 of Regulation S-K under the United States *Securities Exchange Act of 1934*, as amended; and
- (ii) supplemental Canadian GAAP annual MD&A for such period (together with the Form 10-K, the "2005 Disclosure Documents").

5. As of the date of this order, NNC and NNL have not restated the financial results for such prior periods, and have not filed the 2005 Disclosure Documents.

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

IT IS ORDERED under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that all trading in and acquisitions of securities of NNC and NNL, whether direct or indirect, by any of the Respondents cease until two business days following the receipt by the Commission of all filings NNC and NNL are required to make pursuant to Ontario securities laws.

DATED at Toronto, this 10th day of April, 2006.

"Susan Wolburgh Jenah"
Vice-Chair
Ontario Securities Commission

"Wendell S. Wigle, Q.C."
Commissioner
Ontario Securities Commission

Schedule "A"

Abreu, Rodrigo Modesto de
Ashwood, Christopher Kent
Auriol, Helene Marie Jacqueline Madeleine
Barnes, Debbie Lynn
Barrios, Alvio Silvio
Bartzokas, Robert John
Bejar, Martha Helena
Bennett, Jalynn Hamilton
Best, Gregory John
Bhatnagar, Atul
Biard, James Anthony
Bifield, Allan
Birt, Henry Charles
Bischoff, Dr., Manfred
Biston, Alain Mathieu Pierre
Bolouri, Chahram
Bourland, Deborah Ann
Brown, Robert Ellis
Byrd, Richard Andrew
Cahill, John Francis
Carbone, Peter John
Carey, Dennis James
Casey, Sherleen Pope
Cervantes, Victor Manuel
Chan, Man Fat Albert
Chan, Sidney Hung Cheong
Chico, Juan
Chronowic, Peter John
Cioffi, Anthony
Cleghorn, John Edward
Clement, Michel
Collins, Timothy
Collins, Malcolm Kevin
Colantonio, Mary Ellen
Connelly McGilley, Tracy Sarah Jane
Connor, Daniel
Covey, Niel Arthur
Cozyn, Martin Albert
Cross, Mary McGehee
Cuesta, George Julio
Currie, Peter William
Dadyburjor, Khush Sam
Dailey, Frank (Chip)
DaSilva, Joseph
Davies, Gordon Allan
Debon, Pascal
Decardenas, Alfredo Tomas
Del Villar, Clara
Di Giuseppe, Pierfrancesco
Dodd, Randy Kevin
Donoghue, Adrian Joseph
Donovan, William John
Doolittle, John Marshall

Decisions, Orders and Rulings

Downing, David
Drinkwater, David William
Durling, William
Durow, Wesley
Eason, Jeffrey William
Edholm, Philip
Edwards, Darryl Alexander
Ellis, William
Erkel, Enis
Farmer, Cecil Gregory
Flanagan, Joseph
Fleck, Shawn
Frisch, Mark Douglas
Gibson, David Fraser
Gigliotti, Thomas Andrew
Glofcheskie, Terry
Graham, Harold Everett
Grelck, Kenneth George
Hackney, Jr., Jesse Joel
Haydon, John Bradley
Hea, Jacqueline
Hegemann, Holger
Hempel, Karen
Higginbotham, Ernest Ryan
Hinz, Lorne (Conrad)
Hitchcock, Albert Roger
Hoadley, John Philip
Holmes, Robert Devon
Hopkins, Curtis Daniel (Curt)
House, Paul Richard
Hudson, David Victor
Hudson, Vivian Catharine
Hunt, Jr., James Baxter
Ingram, Robert Alexander
Joannou, Dion Constandino
Jones, Stephen Glenn
Kales, Michael
Karr, Paul Wesley
Kaye, Douglas
Kelly, Peter John Anthony
Khadbai, Abdul Aziz
Khawar, Abdul Majeed
King, Elena Soldera
Kokos, Christopher Anthony
Krebs, Laurie Ann
Kua, Jolia Kwai Fun
Lang, Kevin Edward
Langlois, Michael John
Lanier, Gayle La'Verne
LaSalle, William Joseph
Lechner, Kimberly Susan
Lee, Anthony Peter
Lefevre, Kalli
Lester, Monica Lynne
Lin, Yuan-Hao
Lloyd, Geoffrey James
Lo, Kai Yuen Edmond
Lockhart, Lewis Karl
Lowe, Richard Stephen
Lowe, Tonya Lee
Lupu, Sorin
MacKinnon, Pierre David
MacNaughton, John Alan
Madill, William Robertson
Malboeuf, Diane
Manley, John Paul
Mao, Robert Yu Lang
Marcellus, Kevin
Mathers, Lorrie
McCorkle, Michael Walton
McCormick, Richard David
McFeely, Scott Alexander
McGregor, Douglas James
McIver, Kenneth Robert Lloyd
McKenna, Don
Megura, Walter
Milan, Norberto
Mondor, Dan
Morfe, Jr., Claudio
Morin, Philippe
Morreale, Jr., Vincent
Murash, Barry
Murashige, David Hilliker
Murphy, Peter Michael
Myers, Jeffrey
Newcombe, Peter James
Osborne, Ronald Walter
Owens, William Arthur
Paige, Michael
Pangia, Michael Anthony
Pearce, Harry Jonathan
Pecot, Kenneth Wesley
Pierson, Alexander John Briens
Pillow, Timothy
Praysner, Patrick Eugene
Pritchard, Alan
Pugh, Gareth Alan David
Pusey, Stephen Charles
Quinn, Gordon William
Rea, Jeffrey Leonard
Reid, Robert Edwin
Renken, David Allen
Riccitelli, Robert
Richardson, Ralph Edward Clenton
Riedel, George Andrew
Saffell, Jr., Charles Raymond
Searles, Steven Graham
Seeto, Richard
Shepard, Susan Engelke
Sicotte, Luc Paul
Slattery, Stephen Francis
Sledge, Karen Elizabeth
Steffens, Thomas James
Stevens, Mark William
Stevenson, Katharine Berghuis
Stoddard, Alan Grant
Stout, Allen Keith
Swanson, Roxann Lee
Taylor, Kevin
Terry III, George William
Tessy, Leith
Townley, Jeffrey
Tsui, Stephen (Shing Tat)
Valia, Ashoka
Vazquez Oria, Pablo Abel
Ventresca, Anna

Wang, Chuan Shin Tony
Watkins, Timothy Ian
Wells, Mary Kay
Whitton, Mark James Christopher
Williams, Timothy Louis
Wolff, Douglas
Wu, Jang-Shang (Jackson)
Zafirovski, Mike Svetozar

2.2.5 Fulcrum Financial Group Inc. et al. - s. 127

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

AND

**FULCRUM FINANCIAL GROUP INC.,
SECURED LIFE VENTURES INC.,
ZEPHYR ALTERNATIVE POWER INC.,
TROY VAN DYK, WILLIAM L. ROGERS
LESZEK DZIADECKI, WERNER REINDORF
AND REINDORF INVESTMENTS INC.**

**ORDER
(Section 127)**

WHEREAS on the 3rd day of November, 2005, the Commission ordered, pursuant to clause 2 of s.127(1) of the Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act"), that all trading in securities of Secured Life Ventures Inc., Zephyr Alternative Power Inc., and Fulcrum Financial Group Inc. cease and that, pursuant to clause 3 of s. 127(1) of the Act, exemptions in Ontario securities law do not apply to Troy Van Dyk and William L. Rogers (the "Temporary Order");

AND WHEREAS on November 9, 2005, the Commission issued a Notice of Hearing, pursuant to s.127 and 127.1 of the Act;

AND WHEREAS the Commission has ordered an adjournment of the hearing and an extension of the Temporary Order by orders dated November 16, 2005; November 29, 2005 and February 16, 2006;

AND WHEREAS settlements between Staff and the respondents Zephyr Alternative Power Inc. and Leszek Dziadecki were approved by Commission orders dated March 6, 2006 and the respondents William Rogers, Troy Van Dyk, Fulcrum Financial Group Inc. and Secured Life Ventures Inc. have consented to this Order extending the Temporary Order until the completion of the hearing or such earlier date as may be agreed by Staff and those respondents, and approved by the Commission;

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

IT IS HEREBY ORDERED pursuant to s.127(7) of the Act that the Temporary Order is extended until the completion of the hearing of this matter.

Dated at Toronto this 11th day of April, 2006

"Paul Moore"

2.3 Rulings

2.3.1 Legg Mason Canada Inc. et al. - ss. 74(1), 121(2)(a)(ii)

Headnote

Relief from the prospectus requirements of the Act to permit the distribution of pooled fund units to certain fully managed accounts on an exempt basis – Relief from self-dealing prohibition of the Act to allow in specie transfers between pooled funds or mutual funds and managed accounts.

Applicable Legislative Provisions

Securities Act, R.S.O., c. S.5, as am., ss. 53, 74(1), 118(2)(b), 121(2)(a)(ii).

Rules Cited

National Instrument 81-102 Mutual Funds.
National Instrument 45-106 Prospectus and Registration Exemptions.

April 4, 2006

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

AND

**IN THE MATTER OF
LEGG MASON CANADA INC. (“LMC”)**

AND

**LEGG MASON CANADA LIQUIDITY PLUS POOL
LEGG MASON CANADA TREASURY PLUS POOL
LEGG MASON CANADA INCOME PLUS POOL
LEGG MASON (C\$) U.S. VALUE POOL
LEGG MASON PRIVATE CAPITAL
MANAGEMENT U.S. EQUITY POOL
LEGG MASON/BRANDYWINE GLOBAL
FIXED INCOME POOL
LEGG MASON FIXED INCOME ALPHA POOL
LEGG MASON CANADIAN EQUITY ALPHA POOL
(the “Existing LMC Pooled Funds”)**

**RULING AND ORDER
(Subsection 74(1) and
Clause 121(2)(a)(ii) of the Act)**

Background

The Ontario Securities Commission (the “Commission”) has received an application from LMC on behalf of itself, the Existing LMC Pooled Funds and any pooled fund established and managed by LMC after the date hereof (a “Future LMC Pooled Fund”, and together with the Existing LMC Pooled Funds, the “LMC Pooled Funds”), for:

- (a) a ruling, pursuant to subsection 74(1) of the Act, that distributions of units of the LMC Pooled Funds to Managed Accounts (as defined below) will not be subject to the prospectus requirements under section 53 of the Act (the “Prospectus Requirements”); and
- (b) an order, pursuant to clause 121(2)(a)(ii) of the Act, that *In Specie* Transfers (as defined below) between the LMC Pooled Funds or the LMC Mutual Funds (as defined below) and the Managed Accounts are exempted from the prohibition in paragraph 118(2)(b) of the Act which prevents a portfolio manager from knowingly causing any investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager (the “Self-Dealing Prohibition”).

Representations

This Ruling and Order is based on the following facts represented by LMC:

1. LMC is a corporation existing under the laws of Canada. Its head office is located in Toronto, Ontario.
2. LMC is the manager, trustee, and portfolio adviser of the LMC Pooled Funds. The LMC Pooled Funds are not qualified for distribution to the public under a prospectus as LMC distributes the LMC Pooled Funds pursuant to prospectus exemptions and LMC’s dealer registrations or exemptions therefrom.
3. The LMC Pooled Funds are open-end mutual fund trusts established under the laws of Ontario. Each LMC Pooled Fund meets the definition of mutual fund as defined in the Act.
4. LMC is also the trustee, manager and portfolio adviser of a family of mutual funds known as the Legg Mason Canada Funds (the “LMC Mutual Funds”). The LMC Mutual Funds are qualified for distribution pursuant to a simplified prospectus, are subject to National Instrument 81-102 *Mutual Funds* (“NI 81-102”) and are governed by a declaration of trust that is separate from that governing the LMC Pooled Funds. LMC also distributes units of the LMC Mutual Funds to Managed Accounts pursuant to their simplified prospectus and LMC’s dealer registrations or exemption therefrom, but, unlike the LMC Pooled Funds, the LMC Mutual Funds may also be distributed to retail investors by third party dealers. The LMC Mutual Funds that exist as of the date of

- this Ruling and Order are listed in Schedule A hereto.
5. In Ontario, LMC is registered under the Act as an adviser in the categories of investment counsel and portfolio manager. LMC is also registered as a commodity futures manager under the *Commodity Futures Act* (Ontario) and as a dealer in the category of mutual fund dealer, but is exempt from membership with the Mutual Fund Dealers Association of Canada.
 6. LMC primarily provides discretionary portfolio management services to investment management accounts ("Managed Accounts") of clients, under which LMC, pursuant to a written agreement made between LMC and each client, makes investment decisions for the client's Managed Account and has full discretionary authority to trade in securities for the Managed Account without obtaining the specified consent of the client to the trade.
 7. The Managed Account services are provided by employees of LMC who meet the proficiency requirements of an advising officer or advising representative under Ontario securities law.
 8. LMC's minimum overall account balance for each private client who has a Managed Account is \$1,000,000. This minimum balance requirement may be waived at LMC's discretion, and, from time to time, LMC accepts clients with less than \$1,000,000 under management ("Smaller Accounts"). Clients with Smaller Accounts consist primarily of family members of, or entities that have some other form of relationship with, clients of LMC that do meet LMC's \$1,000,000 minimum aggregate account balance. However, there may be other factors that may persuade LMC for business reasons to waive the minimum aggregate balance and to accept a Smaller Account. LMC typically agrees to service Smaller Accounts as a courtesy to its Managed Account clients that satisfy the minimum balance requirement, or with the expectation that the Smaller Account will satisfy the minimum balance requirement in the near future.
 9. While clients who have Managed Accounts that meet LMC's minimum aggregate account balance are, in almost all cases, accredited investors, clients with Smaller Accounts do not always so qualify. As LMC acting on behalf of the Managed Accounts is not an accredited investor as regards the LMC Pooled Funds, LMC cannot service all of its Managed Account clients by using the LMC Pooled Funds. This restriction makes it impossible for some of LMC's Managed Accounts, particularly its Smaller Accounts, to partake in much of LMC's investment management expertise, as well as the broader asset diversification and the lower costs associated with pooled fund investments relative to investments in individual securities having regard to minimum commission charges. While it is possible to distribute units of the LMC Mutual Funds (which are distributed pursuant to a simplified prospectus) to all of its Managed Accounts, LMC does not offer its full range of investment expertise through prospectus-qualified mutual funds. Moreover, pooled funds are the preferred investment vehicle for investment by Managed Accounts as they have lower associated operating costs.
 10. In order to afford Managed Account access to individuals who would not generally be considered to have sufficient assets to warrant the establishment of a Managed Account due to related cost and asset diversification considerations, LMC is hereby applying for relief to permit it to distribute units of the LMC Pooled Funds to the Managed Accounts, including the Smaller Accounts, on an exempt basis.
 11. Distributions of units of the LMC Pooled Funds are made primarily to Managed Accounts. However, LMC may also distribute units of the LMC Pooled Funds by subscription agreement to accredited investors who do not have Managed Accounts.
 12. Units of the LMC Pooled Funds are "related issuers" and "connected issuers" of LMC within the meaning of Ontario securities law. Therefore, in addition to entering into a written discretionary portfolio management agreement, clients who establish a Managed Account with LMC are also provided with LMC's Statement of Policies and provide LMC with their informed written consent to the exercise of LMC's discretionary authority to include in their Managed Account units of the LMC Pooled Funds.
 13. LMC has prepared, and will maintain, an offering memorandum for the LMC Pooled Funds (the "Offering Memorandum") which it will deliver to prospective Managed Account clients before entering into an investment management agreement. This will assist such clients in providing their informed written consent to allow LMC to exercise its investment discretion to purchase units of the LMC Pooled Funds on their behalf.
 14. The LMC Pooled Funds that are distributed to Managed Accounts pay no management fees. In addition, neither LMC nor the LMC Pooled Funds pay fees or commissions to any person in connection with the distribution of units of the LMC Pooled Funds. LMC may, from time to time, pay referral fees to persons who refer Managed Accounts, including Smaller Accounts, to LMC. However, neither LMC nor the LMC Pooled Funds pay any referral fees in connection with the referral of Smaller Accounts that invest in units of

the LMC Pooled Funds. The only management fees that are paid by a Managed Account that holds units of an LMC Pooled Fund are paid directly to LMC pursuant to the discretionary investment management agreement that is entered into between LMC and every Managed Account.

15. The LMC Pooled Funds are not hedge funds. LMC manages the LMC Pooled Funds in substantially the same way it manages the LMC Mutual Funds so that the LMC Pooled Funds substantially comply with NI 81-102. In all material respects, the LMC Pooled Funds are essentially the same as the LMC Mutual Funds, except that they are not reporting issuers and are not distributed through third parties. The LMC Pooled Funds comply with those provisions of National Instrument 81-106 *Investment Fund Continuous Disclosure* that apply to mutual funds that are not reporting issuers in a particular province or territory of Canada.

Relief from the Prospectus Requirements

16. LMC is not considered to be an accredited investor as regards an LMC Pooled Fund in Ontario only for the purposes of the accredited investor exemption available pursuant to National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106"). In subsection 1.1(q) of NI 45-106 the term "accredited investor" is defined to include "a person acting on behalf of a fully managed account managed by that person, if that person

- (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
- (ii) in Ontario, is purchasing a security that is not a security of an investment fund".

As a result of paragraph (ii) of this definition, a distribution of units of an LMC Pooled Fund to a Managed Account in Ontario is not exempt from the Prospectus Requirements of the Act.

Relief from the Self-Dealing Prohibition

17. LMC wishes to permit payment, in whole or in part, for LMC Pooled Fund units and LMC Mutual Fund units purchased by a Managed Account to be made by making good delivery of securities held by such Managed Account to an LMC Pooled Fund or LMC Mutual Fund, as the case may be, provided those securities meet the investment criteria of the applicable LMC Pooled Fund or LMC Mutual Fund.

18. Similarly, after a redemption of units of an LMC Pooled Fund or LMC Mutual Fund by a Managed Account, LMC may permit payment, in whole or in part, of redemption proceeds to be satisfied by making good delivery of securities held in the investment portfolio of an LMC Pooled Fund or LMC Mutual Fund, as the case may be, to such Managed Account, if those securities meet the investment criteria of the Managed Account (the transactions described in this paragraph and the previous paragraph are collectively referred to as "*In Specie* Transfers").

19. As LMC is the portfolio manager of the Managed Accounts, it would be considered a "responsible person" under subsection 118(1) of the Act with respect to the Managed Accounts. Furthermore, each of the LMC Pooled Funds and the LMC Mutual Funds is an "associate" of LMC under the Act because LMC serves as trustee of the LMC Pooled Funds and the LMC Mutual Funds.

20. Unless the requested relief is granted, the Self-Dealing Prohibition will prohibit LMC from causing a Managed Account to make an *In Specie* Transfer of securities of any issuer to or from any of the LMC Pooled Funds or LMC Mutual Funds of which LMC is the trustee.

Ruling and Order

The Commission being satisfied that the relevant tests contained in subsection 74(1) and clause 121(2)(a)(ii) of the Act have been met, the Commission:

1. rules pursuant to subsection 74(1) of the Act, that the distribution of units of the LMC Pooled Funds to Managed Accounts shall not be subject to the Prospectus Requirements, provided that:
 - (a) this Ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade by a fully managed account in securities of mutual funds from the Prospectus Requirements;
 - (b) this Ruling shall only apply where the holder of the Smaller Account is, and in the case of clauses (iii) to (vi) remains,
 - (i) an individual (of the opposite sex or same sex) who is or has been married to the holder of a Managed Account that is an accredited investor, or is living or has lived with such holder of a Managed Account in a conjugal relationship outside of marriage;
 - (ii) a parent, grandparent, child or sibling of either the holder of a

- Managed Account that is an accredited investor or the individual referred to in clause (i);
- (iii) a personal holding company controlled by an individual referred to in clause (i) or (ii) above;
 - (iv) a trust, other than a commercial trust, of which an individual referred to in clause (i) or (ii) above is a beneficiary;
 - (v) a private foundation controlled by an individual referred to in clause (i) or (ii) above; or
 - (vi) a close business associate, employee or professional adviser to a holder of a Managed Account that is an accredited investor provided that:
 - (1) in each instance, there are exceptional factors that have persuaded LMC for business reasons to accept such person as a Smaller Account client and waive LMC's minimum aggregate balance, and a record is kept and maintained of the exceptional factors considered; and
 - (2) the Smaller Account clients acquired through such relationships to a holder of a Managed Account that is an accredited investor shall not at any time represent more than five percent of LMC's total Managed Account assets under management; and
- (c) LMC and the LMC Pooled Funds do not pay any fees or commissions to any person in connection with the distribution of LMC Pooled Fund units, and neither LMC nor the LMC Pooled Funds pay referral fees to any person in connection with the referral of Smaller Accounts that invest in units of the LMC Pooled Funds; and
2. orders pursuant to clause 121(2)(a)(ii) of the Act that the Self-Dealing Prohibition shall not apply to LMC in connection with the payment of the purchase or redemption price of units of an LMC Pooled Fund or LMC Mutual Fund by *In Specie* Transfers between the Managed Accounts and an LMC Pooled Fund or LMC Mutual Fund, as the case may be, provided that:
- (a) in connection with the purchase of units of an LMC Pooled Fund or LMC Mutual Fund by a Managed Account:
 - (i) LMC obtain the prior written consent of the relevant Managed Account client before it engages in any *In Specie* Transfers in connection with the purchase of units;
 - (ii) the LMC Pooled Fund or the LMC Mutual Fund, as the case may be, would at the time of payment be permitted to purchase those securities;
 - (iii) the securities are acceptable to the portfolio advisor of the LMC Pooled Fund or LMC Mutual Fund, as the case may be, and consistent with such fund's investment objective;
 - (iv) the value of the securities is at least equal to the issue price of the securities of the LMC Pooled Fund or LMC Mutual Fund for which they are payment, valued as if the securities were portfolio assets of that fund;
 - (v) the account statement next prepared for the Managed Account shall include a note describing the securities delivered to the LMC Pooled Fund or LMC Mutual Fund, as the case may be, and the value assigned to such securities; and
 - (b) in connection with the redemption of units of an LMC Pooled Fund or LMC Mutual Fund by a Managed account:
 - (i) LMC obtain the prior written consent of the relevant Managed Account client to the payment of redemption proceeds in the form of an *In Specie* Transfer;

- (ii) the securities are acceptable to the portfolio advisor of the Managed Account and consistent with the Managed Account's investment objective;
 - Legg Mason Canadian Core Equity Fund
 - Legg Mason North American Equity Fund
 - Legg Mason Canadian Growth Equity Fund
 - (iii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price;
 - Legg Mason Brandywine Fundamental Value U.S. Equity Fund
 - Legg Mason Batterymarch U.S. Equity Fund
 - Legg Mason U.S. Value Fund
 - (iv) the holder of the Managed Account has not provided notice to terminate its discretionary investment management agreement with LMC; and
 - Legg Mason International Equity Fund
 - (v) the account statement next prepared for the Managed Account shall include a note describing the securities delivered to the Managed Account and the value assigned to such securities; and
- (c) LMC does not receive any compensation in respect of any sale or redemption of units of an LMC Pooled Fund or LMC Mutual Fund (other than redemption fees disclosed in the offering documents of the funds), and, in respect of any delivery of securities further to an *In Specie* Transfer, the only charge paid by the Managed Account is the commission charged by the dealer executing the trade.

"Susan Wolburgh Jenah"
Vice-Chair

"Paul K. Bates"
Commissioner

Schedule A

Legg Mason Canada Funds

Legg Mason T-Plus Fund

Legg Mason Private Client Canadian Bond Portfolio

Legg Mason Canadian Index Plus Bond Fund

Legg Mason Canadian Active Bond Fund

Legg Mason Accufund

Legg Mason Diversifund

Legg Mason Private Client Canadian Equity Portfolio

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Momentas Corporation et al.

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

AND

IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS

AND

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

AND

IN THE MATTER OF
SUZANNE MORRISON

SETTLEMENT AGREEMENT
(SUZANNE MORRISON)

I. INTRODUCTION

1. By Notice of Hearing dated March 31, 2006, the Ontario Securities Commission (“the Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to sections 127 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 approving the settlement agreement entered into between Staff of the Commission and the Respondent, Suzanne Morrison, in the within proceedings.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff recommend settlement of the allegations against the respondent, Suzanne Morrison (“Morrison”), in accordance with the terms and conditions set out below. Morrison agrees to the settlement on the basis of the facts agreed to as provided in Part III and consents to the making of an order against her in the form attached as Schedule “A” on the basis of the facts set out in Part III.
3. This settlement agreement, including the attached Schedule “A” (collectively, the “Settlement Agreement”), will be released to the public only if and when the Settlement Agreement is approved by the Commission.

III. AGREED FACTS

4. Staff and Morrison agree with the facts set out in Part III for the purpose of this settlement proceeding only and further agree that this agreement of facts is without prejudice to Morrison in any civil or other proceedings which may be brought by any other person or agency.

A. The Respondent

5. Morrison is a resident of Ontario. She is 51 years old.

6. Since its incorporation July 2003, Morrison has held the positions of director, President and Chief Financial Officer ("CFO") of Momentas Corporation. Although Morrison held these positions, she was not a directing mind of the company.
7. Morrison acted as the office manager and bookkeeper of Momentas Corporation. Her duties consisted primarily of bookkeeping, banking and office administration. Some of her administrative responsibilities related to the sale of securities of Momentas Corporation to members of the public (as described below). Morrison was paid a salary by Momentas Corporation.

B. The Sale of Momentas Corporation Securities

8. Between August 2003 and June 2005, Momentas Corporation sold 'Series A Secured Convertible Debentures' of Momentas Corporation ("Momentas Corporation Convertible Debentures") to residents of Ontario, British Columbia and Alberta pursuant to its offering memorandum, as amended April 1, 2004 (the "Momentas Corporation Offering Memorandum").
9. The Offering Memorandum describes the business of Momentas Corporation as involving the development and licensing of an automated proprietary stock trading system ("ARF"), the trading by Momentas Corporation of foreign currencies, and potential acquisitions by Momentas Corporation of other businesses.
10. The majority of Momentas Corporation's employees were directly involved in the sale of Momentas Corporation Convertible Debentures through telephone solicitation with no other employment responsibilities. Momentas Corporation and its officers, directors or employees, including Morrison, were not registered with the Commission in any capacity.
11. In selling the Momentas Corporation Convertible Debentures, Momentas Corporation purportedly relied upon the exemption from registration contained in OSC Rule 45-501 with respect to the sale of securities to accredited investors (the "Accredited Investor Exemption"). Momentas Corporation filed forms 45-501 F1 with the Commission reporting the sales of Convertible Debentures as required by Rule 45-501.
12. Momentas Corporation raised approximately \$7.8 million from the sale of Momentas Corporation Convertible Debentures. Of this amount, approximately \$2.95 million was raised from residents of Ontario.

C. The Temporary Orders

13. On June 9, 2005, the Commission made a temporary order that, *inter alia*, Momentas Corporation cease trading in its securities and Morrison, Howard Rash ("Rash") and Alexander Funt ("Funt") cease trading in any securities. The Commission further ordered that any exemptions contained in Ontario securities law do not apply to Momentas Corporation, Rash, Funt and Morrison (the "Temporary Cease Trade Order").
14. On June 24, 2005, the Commission issued proceedings pursuant to section 127 of the Act with respect to the sale of Momentas Corporation Convertible Debentures (the "Momentas Corporation Commission Proceedings").
15. By subsequent orders of the Commission, the Temporary Cease Trade Order was, subject to certain limited exceptions related to personal trading, extended against the individuals until the conclusion of the hearing in the Momentas Corporation Commission Proceedings.
16. On July 14, 2005, the Commission held a hearing to determine whether it was in the public interest to further extend the Temporary Cease Trade Orders against Momentas Corporation. The Commission concluded that, in selling the Momentas Corporation Convertible Debentures, Momentas Corporation "had been acting as a market intermediary and distributing its securities without being registered".
17. The panel held that it was in the public interest to extend the Temporary Cease Trade Order until the conclusion of the hearing of the matter, or the date upon which Momentas Corporation becomes registered as a limited market dealer and its officers, directors and/or employees involved in the sale of securities to the public become registered in accordance with Ontario securities law.
18. Neither Momentas Corporation nor any of its officers, directors and/or employees have sought or obtained such registration.

D. Sale of Momentas Realty Securities

19. Morrison was also the President, CFO and a director of Momentas Realty Corp. ("Momentas Realty"), an affiliate of Momentas Corporation.
20. Momentas Corporation is a 48% shareholder of Momentas Realty.
21. Following the Temporary Cease Trade Order, between June 2005 and October 2005, Momentas Realty sold Momentas Realty 'Series A Secured Convertible Debentures' (the "Momentas Realty Convertible Debentures") pursuant to an offering memorandum dated May 1, 2005 (the "Momentas Realty Offering Memorandum").
22. The Momentas Realty Offering Memorandum states that it intends to raise \$10 million in aggregate proceeds from the sale of Momentas Realty Convertible Debentures for its stated business of "real estate development and investment".
23. Momentas Realty raised approximately \$3 million through the sale of Momentas Realty Convertible Debentures to residents Ontario, Alberta, British Columbia and Nova Scotia. Of this amount, approximately \$1.6 million has been raised from residents of Ontario, purportedly in reliance upon the Accredited Investor Exemption.

E. Acts in Furtherance of Trades of Securities

24. Morrison's activities relating to the sale of securities of both Momentas Corporation and Momentas Realty consisted of the following:
 - (a) Prior to the Temporary Cease Trade Order, Morrison's name was inserted into the offering memoranda of Momentas Corporation and Momentas Realty as a signatory, and she was identified as President and CFO. She does not recall actually signing those documents, but did become aware of the fact that her name was on the documents and took no steps to have it removed;
 - (b) Prior to the Temporary Cease Trade Order, Morrison signed letters to prospective investors of Momentas Corporation enclosing promotional materials;
 - (c) Prior to the Temporary Cease Trade Order, Morrison signed subscription agreements on behalf of Momentas Corporation;
 - (d) Prior to the Temporary Cease Trade Order, Morrison ordered debenture certificates from the transfer agent and made the necessary arrangements to send the certificates to debenture holders of Momentas Corporation;
 - (e) Both before and after the Temporary Cease Trade Order, Morrison deposited investors' funds received by the issuers into the respective bank accounts of Momentas Corporation and Momentas Realty; and
 - (f) Following the Temporary Cease Trade Order, Morrison took steps to ensure that Momentas Realty had sufficient copies of its promotional materials, including copies of its offering memorandum, to be distributed to prospective investors.

F. Permitting, Authorizing or Acquiescing

25. Morrison knew that most of the employees of Momentas Corporation and Momentas Realty were directly involved in the sale of Convertible Debentures through telephone solicitation and had no other employment responsibilities.
26. Morrison was not involved in the preparation of the offering memoranda or in the structuring of the offerings and has no experience with such matters. However, Morrison allowed her name to remain affixed to the offering memoranda of both Momentas Corporation and Momentas Realty in her capacity as President and CFO of each issuer.
27. Morrison took no steps to inform herself of whether the companies' activities, as structured, were in compliance with Ontario securities law. Morrison relied entirely upon Rash and Funt, the founders and directing minds of Momentas Corporation and Momentas Realty, to ensure compliance in that regard.
28. Morrison took no steps to apply to the Commission for registration prior to any sales of Momentas Realty securities taking place and took no steps to ensure that Momentas Realty did not sell its securities in the absence of registration.

H. Mitigating Factors

29. Morrison has no prior disciplinary record with the Commission.
30. Morrison has resigned her positions as a director and officer and has cooperated fully with Staff of the Commission. Morrison submitted to a voluntary interview and provided documents to Staff in respect of Momentas Corporation and Momentas Realty.

IV. RESPONDENT'S POSITION

31. Following the Temporary Cease Trade Order, Morrison did not understand that her activities in respect of Momentas Realty constituted trading in securities or that she was breaching the terms of the cease trade order. Morrison did not intend to breach Ontario securities law.

V. CONDUCT CONTRARY TO THE PUBLIC INTEREST

32. Morrison was an officer and director of Momentas Corporation and Momentas Realty in name only. In failing to take steps to determine whether the activities of Momentas Corporation and Momentas Realty complied with the Ontario securities law, Morrison failed to appropriately discharge her duties as an officer and director of an issuer offering securities to members of the public.
33. As a Respondent in the Commission's proceedings against Momentas Corporation, Morrison had direct knowledge of the Commission's finding that Momentas Corporation had been acting as a market intermediary and of the Commission's conclusion that Momentas Corporation, as well as its officers, directors and/or employees involved in the sale of its securities to members of the public, were required to be registered.
34. The sale of Momentas Realty Convertible Debentures continued thereafter in a manner similar to the sale of the Momentas Corporation Convertible Debentures. Morrison was not involved in the solicitations made to potential investors of Momentas Realty and restricted her role to depositing funds received from them and ordering copies of promotional materials to be sent by others to investors. However, she did allow her name to remain affixed to the offering memorandum and was aware that it was being provided to potential investors.
35. Morrison's conduct as described above was contrary to Ontario securities law and was contrary to the public interest.

VI. TERMS OF SETTLEMENT

36. Morrison agrees to the following terms of settlement, to be set out in an order by the Commission pursuant to section 127(1) and 127.1 of the Act:
- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, Morrison shall cease trading in securities for a period of 10 years, except after a period of 2 years Morrison shall be permitted to trade in securities for her own registered retirement savings plan or registered retirement income fund through a registered dealer, effective from the date of the order of the Commission approving the Settlement Agreement;
 - (b) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to Morrison for a period of 10 years, except after a period of 2 years Morrison shall be permitted to trade in securities for her own registered retirement savings plan or registered retirement income fund through a registered dealer, effective from the date of the order of the Commission approving the Settlement Agreement;
 - (c) pursuant to paragraph 7 of subsection 127(1) of the Act, Morrison shall forthwith resign any positions that she holds as an officer and/or director of any issuer;
 - (d) pursuant to paragraph 8 of subsection 127(1) of the Act, Morrison is prohibited for a period of 10 years from becoming or acting as an officer and/or director of any issuer, effective from the date of the order of the Commission approving the Settlement Agreement; and
 - (e) Morrison shall pay to the Commission a portion of the costs of its investigation in the amount of \$7,500.00 within 90 days of the date of the order approving the Settlement Agreement.
37. As a term of settlement, Morrison also agrees that she will testify as a witness for Staff at the hearing of the Momentas Corporation Commission Proceeding.

VII. STAFF COMMITMENT

38. If this settlement is approved by the Commission Staff will not initiate any other proceeding under Ontario securities law against Morrison in respect of the facts set out in Part III of the Settlement Agreement, subject to the provisions of paragraph 43 below.

VIII. PROCEDURE FOR APPROVAL OF SETTLEMENT

39. Approval of this Settlement Agreement shall be sought at a hearing of the Commission scheduled on a date agreed to by Staff and Morrison.

40. Counsel for Staff or for Morrison may refer to any part, or all, of the Settlement Agreement at the Settlement Hearing. Staff and Morrison agree that the Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing, unless the parties later agree that further evidence should be submitted at the Settlement Hearing.

41. If the Settlement Agreement is approved by the Commission, Morrison agrees to waive her right to a full hearing, judicial review or appeal of the matter under the Act.

42. Staff and Morrison agree and undertake that if the Settlement Agreement is approved by the Commission, they will not make any statement inconsistent with the Settlement Agreement.

43. If this Settlement Agreement is approved by the Commission and, at any subsequent time, Morrison fails to honour any of the Terms of Settlement set out in Part VI, Staff reserve the right to bring proceedings under Ontario securities law against Morrison based on, but not limited to, the facts set out in Part III of the Settlement Agreement, as well as the breach of the Settlement Agreement.

44. Whether or not the Settlement Agreement is approved by the Commission, Morrison agrees that she will not, in any proceeding, refer to or rely upon the Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

IX. DISCLOSURE OF SETTLEMENT AGREEMENT

45. The Settlement Agreement and its terms will be treated as confidential by Staff and Morrison until approved by the Commission, and forever if, for any reason whatsoever, the Settlement Agreement is not approved by the Commission, except with the written consent of Staff and Morrison, or as may be required by law.

46. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Commission.

X. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 31st day of March, 2006

Signed in the presence of:

“Suzanne Morrison”

Suzanne Morrison

Staff of the Ontario Securities Commission

“Michael Watson”

Michael Watson
Director, Enforcement Branch

3.1.2 Momentas Corporation et al.

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

AND

IN THE MATTER OF
MOMENTAS CORPORATION, HOWARD RASH,
ALEXANDER FUNT, SUZANNE MORRISON
AND MALCOLM ROGERS

SETTLEMENT AGREEMENT
(MALCOLM ROGERS)

I. INTRODUCTION

1. By Notice of Hearing dated April 3, 2006, the Ontario Securities Commission (“the Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to sections 127 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 approving the settlement agreement entered into between Staff of the Commission and the Respondent, Malcolm Rogers (“Rogers”).

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff recommend settlement of the allegations against Rogers, in accordance with the terms and conditions set out below. Rogers agrees to the settlement on the basis of the facts agreed to as provided in Part III and consents to the making of an order against him in the form attached as Schedule “A” on the basis of the facts set out in Part III.
3. This settlement agreement, including the attached Schedule “A” (collectively, the “Settlement Agreement”), will be released to the public only if and when the Settlement Agreement is approved by the Commission.

III. AGREED FACTS

4. Staff and Rogers agree with the facts set out in Part III for the purpose of this settlement proceeding only.

A. The Respondent

5. From July 2003 to May 1, 2005, Rogers held the position of Chief Executive Officer (“CEO”) of Momentas Corporation (“Momentas”) and held the position of director from July 2003 to August 10, 2005.
6. Following the incorporation of Momentas in July 2003, Rogers’ involvement consisted primarily of reviewing software systems that Momentas was purportedly proposing to develop, training some of the operators on the proposed software systems and reviewing simulations of the proposed software. Rogers’ involvement in the company was limited thereafter.

B. The Sale of Momentas Securities

7. Between August 2003 and June 2005, Momentas sold ‘Series A Secured Convertible Debentures’ of Momentas (“Convertible Debentures”) to residents of Ontario, British Columbia and Alberta pursuant to its offering memorandum, as amended April 1, 2004 (the “Offering Memorandum”).
8. The Offering Memorandum, signed by Rogers in his capacity as CEO, was distributed to prospective investors along with other promotional material regarding the company, including (commencing in 2004) a CD Rom recording of a presentation by Rogers to investors.
9. The Offering Memorandum describes the business of Momentas as involving the development and licensing of an automated proprietary stock trading system (“ARF”), the trading by Momentas of foreign currencies, and potential acquisitions by Momentas of other businesses.
10. The majority of Momentas’ employees were directly involved in the sale of Convertible Debentures through telephone solicitation with no other employment responsibilities. Momentas and its officers, directors or employees, including Rogers, were not registered with the Commission in any capacity.

11. In selling the Convertible Debentures, Momentas purportedly relied upon the exemption from registration contained in OSC Rule 45-501 with respect to the sale of securities to accredited investors (the "Accredited Investor Exemption"). Momentas filed forms 45-501 F1 with the Commission reporting the sales of Convertible Debentures as required by Rule 45-501.
12. Momentas raised approximately \$7.8 million from the sale of Convertible Debentures. Of this amount, approximately \$2.95 million was raised from residents of Ontario.

C. Rogers' Resignation From Momentas

13. On May 1, 2005, Rogers resigned from his position as CEO of Momentas. Rogers submitted his resignation letter directly to Howard Rash ("Rash") and Alexander Funt ("Funt"), the founders and directing minds of Momentas. Rogers' resignation was effective immediately.
14. Unknown to Rogers at the time, approximately 55% of the proceeds of the offering was used to fund the costs of the offering; approximately 15% was used for the stated business purpose as set out in the Offering Memorandum; and the balance, approximately 30% of the offering, was received personally by Rash and Funt as "management draws". In total, Rash and Funt received \$2.56 million from the \$7.8 million raised from investors.
15. On June 9, 2005, the Commission made a temporary order that, *inter alia*, Momentas cease trading in its securities and that Suzanne Morrison, Rash and Funt cease trading in any securities (the "Temporary Cease Trade Order"). The Temporary Cease Trade Order was further extended by orders of the Commission pending the conclusion of the within proceedings.
16. Rogers was not subject to the Temporary Cease Trade Order or the orders extending the Temporary Cease Trade Order.
17. On July 14, 2005, following a hearing to determine whether it was in the public interest to further extend the Temporary Cease Trade Order against Momentas, the Commission concluded that, in selling the Convertible Debentures, Momentas "had been acting as a market intermediary and distributing its securities without being registered".
18. Subsequent to the extension of the temporary orders by the Commission, Rogers became aware that Rash and Funt had personally received approximately \$2.56 million of the \$7.8 million raised from investors.
19. On August 10, 2005, Rogers notified Rash in writing of his resignation, effective immediately, as a director of Momentas. Rogers resigned, in part, on the basis that Rash and Funt would not accept Rogers' proposal to reinvest the funds they had received as "management draws" back into the company so that it could operate in a manner that would seek to benefit the debenture holders.
20. With the exception of approximately \$30,000 frozen by Directions issued by the Commission on October 18, 2005, which were extended by the Ontario Superior Court of Justice, there are no funds remaining from the offering.

D. Permitting, Authorizing or Acquiescing

21. While in the position of CEO and as a director of Momentas, Rogers knew that most of the employees of Momentas were directly involved in the sale of Convertible Debentures through telephone solicitation and had no other employment responsibilities.
22. Rogers relied on the founders and directing minds of Momentas, Rash and Funt, to ensure that the company's activities, as structured, were in compliance with Ontario securities law and that they had received legal advice from outside counsel in that regard. Rogers took no independent steps as the CEO to inform himself with respect to those matters.

E. Mitigating Factors

23. Rogers is 63 years old and has no prior disciplinary record with the Commission.
24. Rogers has cooperated fully with Staff of the Commission. He submitted to a voluntary interview and provided documents in respect of Momentas.
25. Rogers personally invested \$104,500 in Momentas by purchasing Convertible Debentures. Momentas has ceased operations and has ceased interest payments to its debenture holders. Rogers does not know whether his investment will be recoverable from Momentas.

26. Rogers' role with Momentas significantly decreased after the initial start-up of the company.

IV. CONDUCT CONTRARY TO THE PUBLIC INTEREST

27. Rogers was an officer and director of Momentas. In failing to take steps to determine whether the activities of Momentas complied with Ontario securities law, Rogers failed to appropriately discharge his duties as an officer and director of an issuer offering securities to members of the public and acquiesced in Momentas's breach of section 25 of the Act.

28. Roger's conduct as described above was in contravention of Ontario securities law and was contrary to the public interest.

V. TERMS OF SETTLEMENT

29. Rogers agrees to the following terms of settlement, to be set out in an order by the Commission pursuant to section 127(1) of the Act:

(a) pursuant to paragraph 7 of subsection 127(1) of the Act, Rogers shall forthwith resign any positions that he holds as an officer and/or director of any issuer, except that which he holds with his current employer, namely XtraKare Corporation of America Inc. or its affiliates; and

(b) pursuant to paragraph 8 of subsection 127(1) of the Act, Rogers is prohibited from becoming or acting as an officer and/or director of any issuer for 3 years, effective from the date of the order of the Commission approving the Settlement Agreement, except in acting as an officer and director with his current employer, namely XtraKare Corporation of America Inc. or its affiliates.

30. Rogers agrees to attend, in person, at the hearing before the Commission on a date to be determined by the Secretary to the Commission to consider the Settlement Agreement, or such other date as may be agreed to by the parties for the scheduling of the hearing to consider the Settlement Agreement.

31. Rogers also agrees that he will testify as a witness for Staff at any proceeding commenced by Staff before the Commission in respect of the sale of securities of Momentas.

VI. STAFF COMMITMENT

32. If this settlement is approved by the Commission, Staff will not initiate any other proceeding under Ontario securities law against Rogers in respect of the facts set out in Part III of the Settlement Agreement, subject to the provisions of paragraph 37 below.

VII. PROCEDURE FOR APPROVAL OF SETTLEMENT

33. Approval of this Settlement Agreement shall be sought at a hearing of the Commission scheduled on a date agreed to by Staff and Rogers.

34. Counsel for Staff or for Rogers may refer to any part, or all, of the Settlement Agreement at the Settlement Hearing. Staff and Rogers agree that the Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing, unless the parties later agree that further evidence should be submitted at the Settlement Hearing.

35. If the Settlement Agreement is approved by the Commission, Rogers agrees to waive his right to a full hearing, judicial review or appeal of the matter under the Act.

36. Staff and Rogers agree and undertake that if the Settlement Agreement is approved by the Commission, they will not make any statement inconsistent with the Settlement Agreement.

37. If this Settlement Agreement is approved by the Commission and, at any subsequent time, Rogers fails to honour any of the Terms of Settlement set out in Part V, Staff reserve the right to bring proceedings under Ontario securities law against Rogers based on, but not limited to, the facts set out in Part III of the Settlement Agreement, as well as the breach of the Settlement Agreement.

38. Whether or not the Settlement Agreement is approved by the Commission, Rogers agrees that he will not, in any proceeding, refer to or rely upon the Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

VIII. DISCLOSURE OF SETTLEMENT AGREEMENT

39. The Settlement Agreement and its terms will be treated as confidential by Staff and Rogers until approved by the Commission, and forever if, for any reason whatsoever, the Settlement Agreement is not approved by the Commission, except with the written consent of Staff and Rogers, or as may be required by law.
40. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Commission.

IX. EXECUTION OF SETTLEMENT AGREEMENT

41. The Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.
42. A facsimile copy of any signature shall be as effective as an original signature.

DATED this 3rd day of April, 2006

Signed in the presence of:

A. Crawley

“Malcolm Rogers”

Malcolm Rogers

Staff of the Ontario Securities Commission

“Michael Watson”

Michael Watson

Director, Enforcement Branch

3.1.3 Richard Ochnik and 1464210 Ontario Inc.

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

AND

IN THE MATTER OF
RICHARD OCHNIK AND
1464210 ONTARIO INC.

Hearing: March 1, 2, 8-9.

Panel: Paul M. Moore, Q.C. - Commissioner (Chair of the Panel)
Robert W. Davis, FCA - Commissioner
Davis L. Knight, FCA - Commissioner

Counsel: Matthew Britton - On behalf of Staff of the
John Humphreys - Ontario Securities Commission
Richard Ochnik - Respondent

ORAL DECISION

The following text has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the chair of the panel for the purpose of providing a public record of the decision.

[1] The following is our decision on the merits in this matter. We are not issuing reasons for our decision at this time. Reasons will be issued after we have heard submissions as to appropriate sanctions.

[2] Virtually all of staff's evidence in this matter is uncontroverted, and, for the most part, credible.

[3] Mr. Ochnik called only one witness. Much of her evidence was not germane to the issues before us. Where it touched on the credibility of Mr. Brown, we concluded that the witness could not be relied upon. Much of the evidence to which Mr. Ochnik referred us in his argument was not inconsistent with staff's evidence. Although Mr. Ochnik referred to evidence that he argued went to the credibility and motivation of Mr. Brown in testifying, we concluded that, generally, Mr. Brown's evidence on key points, was credible.

[4] Generally, we accept staff's view of the facts as outlined in the argument of staff. There are other conclusions we have drawn based on all the evidence.

[5] Mr. Ochnik chose not to testify and, therefore, did not take the opportunity to give evidence to explain away the arguments and assertions of others, or that might have contradicted other witnesses.

[6] We do not accept Mr. Ochnik's view of TD-Waterhouse's role in this matter. It was each investor, individually, for whom it acted, and owed a duty, not the respondents. It is the obligation of an issuer to verify the facts that might support the availability of a registration and prospectus exemption. There is no evidence that TD-Waterhouse assumed any duty to assist the respondents in this.

[7] We will set out in our reasons our specific finding of fact.

[8] We find that the respondents breached the *Securities Act* as alleged: namely, that they traded securities without being registered with the Commission to trade securities and without an exemption from the requirement for registration contrary to section 25 of the *Act*, and that they distributed securities of 1464210 Ontario Inc. without the filing of a prospectus and obtaining a receipt therefor from the Director contrary to section 53 of the *Act*.

[9] We also find that the conduct of the respondents was contrary to the public interest in that the breaches of the *Securities Act* by the respondents were done, not only without the required disclosure, but also with misinformation and prevarication by Ochnik and others acting in conjunction with him, particularly in connection with the issues of securities of 1464210 Ontario Inc., and in connection with an RRSP/loan scheme that was deliberately hidden from TD-Waterhouse Canada Inc., who were induced with deception to participate in facilitating investments in 1464210 Ontario Inc., and involving investors in financial difficulty who were induced to invest in 1464210 Ontario Inc.

[10] The conduct of the respondents was not inadvertent. Rather, it was egregious and predatory.

[11] We believe that the conduct is worthy of sanctions tailored to protect against future breaches of the Act and future conduct of this nature in the marketplace by the respondents for a long, long time.

[12] We also believe that sanctions should be tailored to act as a specific deterrent to the respondents and to stand as a warning to others that similar conduct will not be treated lightly by the Commission.

[13] We will set a date to hear argument as to appropriate sanctions and whether an application should be made to the Superior Court of Justice for a declaration pursuant to subsection 128(1) of the *Act* that the respondents have not complied with Ontario securities law and that, if such declaration be made, the Superior Court of Justice make such further orders pursuant to subsection 128(3) of the *Act* as it considers appropriate including orders pursuant to subsection 128(3) clause 10 directing that the respondents repay to security holders moneys paid for securities and orders pursuant to subsection 128(3) clause 13 requiring the respondents to compensate or make restitution to aggrieved parties, such as, investors in 1464210 Ontario Inc., and perhaps TD-Waterhouse.

Approved by the chair of the panel on March 10, 2006.

“Paul M. Moore”

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Aurado Energy Inc.	06 Apr 06	18 Apr 06		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Bennett Environmental Inc.	10 Apr 06	24 Apr 06			
Genesis Land Development Corp.	11 Apr 06	24 Apr 06			
Mindready Solutions Inc.	06 Apr 06	19 Apr 06			
Nortel Networks Corporation	27 Mar 06	10 Apr 06	10 Apr 06		
Nortel Networks Limited	27 Mar 06	10 Apr 06	10 Apr 06		
Precision Assessment Technology Corporation	07 Apr 06	20 Apr 06			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Bennett Environmental Inc.	10 Apr 06	24 Apr 06			
Big Red Diamond Corporation	03 Mar 06	16 Mar 06	16 Mar 06		
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Genesis Land Development Corp.	11 Apr 06	24 Apr 06			
Harte Gold Corp.	05 Apr 06	18 Apr 06			
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06			
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		

Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Mindready Solutions Inc.	06 Apr 06	19 Apr 06			
Nortel Networks Corporation	27 Mar 06	10 Apr 06	10 Apr 06		
Nortel Networks Limited	27 Mar 06	10 Apr 06	10 Apr 06		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
Precision Assessment Technology Corporation	07 Apr 06	20 Apr 06			
Radiant Energy Corporation	01 Mar 06	14 Mar 06	14 Mar 06		
Royal Group Technologies Limited	03 Apr 06	18 Apr 06			
Specialty Foods Group Income Fund	04 Apr 06	17 Apr 06			
Sterlite Gold Ltd.	04 Apr 06	17 Apr 06			
WGI Heavy Minerals, Incorporated	04 Apr 06	17 Apr 06			

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/10/2006	35	Abenteur Resources Corp. - Units	366,600.00	1,317,333.00
03/21/2006	31	Abitibi Mining Corp. - Units	307,500.00	6,150,000.00
03/24/2006	20	Active Control Technology Inc. - Units	409,000.00	8,190,000.00
03/27/2006	30	Adaltis Inc. - Debentures	15,000,000.00	15,000,000.00
03/29/2006	2	American Capital Strategies, Ltd. - Common Shares	19,148,012.73	465,000.00
03/30/2006	32	American Creek Resources Ltd. - Common Shares	512,340.75	670,885.00
03/17/2006 to 03/28/2006	61	AMI Resources Inc. - Units	1,000,000.00	4,000,000.00
03/24/2006	108	Amorfix Life Sciences Ltd. - Common Shares	3,449,999.55	4,058,823.00
03/20/2006	144	Avino Silver & Gold Mines Ltd. - Units	10,000,000.00	5,000,000.00
03/29/2006	74	Benchmark Energy Corp. - Units	1,589,500.00	3,179,000.00
03/31/2006	1	Bio Agri Mix LP - Limited Partnership Interest	10,962,247.00	10,962,247.00
03/31/2006	16	Bitterroot Resources Ltd. - Flow-Through Shares	2,735,749.40	2,568,332.00
03/20/2006	6	Blue Note Metals Inc. - Flow-Through Shares	845,000.00	2,816,666.00
03/23/2006	1	BluMont Man Yield Fund Ltd. - Units	19,600,000.00	19,600,000.00
10/31/2005	46	Caldwell New York Limited Partnership IV - Limited Partnership Units	11,869,000.00	1,186,900.00
10/31/2005 to 12/24/2005	31	Caldwell Palos New York L.P. - Limited Partnership Units	3,796,000.00	399,600.00
03/24/2006	27	Camton Exploration Inc. - Rights	21,986,215.55	33,824,947.00
03/29/2006	2	Canadian Trading and Quotation Systems Inc. - Units	1,650,006.33	N/A
03/30/2006	5	Cassidy Gold Corp. - Common Shares	5,299,999.80	8,833,333.00
03/28/2006	7	Cathay Oil & Gas Ltd. - Common Shares	221,500.00	295,333.00
03/16/2006	109	Chalk Media Corp. - Units	4,055,520.00	18,105,000.00
03/22/2006	4	Chemokine Therapeutics Corp. - Common Shares	6,859,999.88	6,471,698.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/09/2005	44	China Dragon Fund Ltd. - Common Shares	1,163,235.55	1,011,744.00
03/17/2006	3	Citigroup Property Investors Capital Partners Asia Pacific (Cayman) L.P. - Units	1,153,100.00	1,000.00
03/24/2006 to 04/04/2006	2	Compton Petroleum Corporation - Bonds	4,099,974.83	3,500.00
03/27/2006 to 04/03/2006	47	Copper Fox Metals Inc. - Flow-Through Shares	794,200.20	2,647,334.00
03/27/2006 to 04/03/2006	130	Copper Fox Metals Inc. - Units	2,649,969.86	12,364,782.00
03/22/2006	43	Covalon Technologies Inc. - Units	6,848,300.00	13,696,600.00
03/21/2006	5	Craton Gold Ltd. - Common Shares	170514.25	3,160,285.00
03/17/2006	25	Creststreet Windpower Development (II) LP - Units	1,545,000.00	154,500.00
03/21/2006	71	Eagle Rock Exploration Ltd. - Flow-Through Shares	2,777,201.50	6,603,110.00
03/27/2006	13	electroBusiness.com Inc. - Units	190,000.00	380,000.00
08/31/2005	1	Executive Risk Services Limited - Debentures	75,000.00	750.00
02/01/2006	4	Falconhenge Canada Limited Partnership - Limited Partnership Units	900,000.00	900.00
12/05/2005	144	FIC Investment Ltd. - Common Shares	1,067,960.85	647,249.00
03/31/2006	2	First Leaside Fund - Trust Units	180,372.00	154,257.00
03/31/2006	1	First Leaside Growth Limited Partnership - Limited Partnership Interest	60,000.00	60,000.00
03/31/2006	1	First Leaside Wealth Management Inc. - Preferred Shares	150,000.00	150,000.00
03/28/2006	52	Foothills Resources Inc. - Debentures	3,987,500.00	3,987,500.00
01/25/2006	42	Fortress Minerals Corp. - Common Shares	5,000,000.00	4,000,000.00
03/23/2006	69	Fortuna Silver Mines Inc. - Units	19,050,000.00	12,700,000.00
02/10/2006	1	Fuel-X International Inc. - Common Share Purchase Warrant	0.00	3,720,000.00
03/27/2006	4	Garibaldi Resources Corp. - Units	1,000,000.00	2,000,000.00
03/21/2006	34	Genesis Limited Partnership #6 - Limited Partnership Units	1,740,264.00	354.00
03/29/2006	1	Geologix Explorations Inc. - Common Shares	572,650.56	1,060,464.00
03/29/2006	32	Global Uranium Corporation - Units	2,400,000.00	10,000,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/20/2006	1	GMO Developed World Equity Investment Fund PLC - Units	92,081.81	2,931.35
03/27/2006	107	Gobi Gold Inc. - Units	5,000,000.00	4,250,000.00
03/24/2006 to 06/28/2006	70	Gold Port Resources Ltd. - Units	1,675,875.00	4,496,000.00
03/21/2006	13	Golden Cariboo Resources Ltd. - Units	235,250.00	2,232,500.00
03/30/2006	22	Golden Dynasty Resources Ltd. - Units	1,500,000.00	25,000,000.00
12/29/2005	1	Golden Tag Resources Ltd. - Units	100,000.00	666,666.00
03/22/2006	212	Graham Income Trust and Graham Business Trust - Units	14,016,337.50	6,178.00
03/24/2006	55	Gryphon Gold Corporation - Units	6,843,750.00	5,475,000.00
02/07/2006	43	Hawkeye Gold & Diamond Inc. - Units	683,600.00	6,836,000.00
04/04/2006	6	Host Marriott, L.P. - Notes	3,015,424.00	2,560,000.00
03/31/2006	14	INNODIA Inc. - Debentures	10,000,000.00	N/A
03/22/2006	54	Inter-Citic Minerals Inc. - Special Warrants	11,056,441.00	12,284,975.00
03/30/2006	3	Interface Biologics Inc. - Preferred Shares	5,500,000.00	3,263,513.00
02/02/2006	22	International Arimex Resources Inc. - Units	408,030.00	8,160,000.00
10/28/2005	13	Investeco Private Equity Fund II, L.P. - Limited Partnership Units	2,440,000.00	2,440.00
03/21/2006	30	Kangaroo Media Inc. - Common Shares	20,001,950.00	17,393,000.00
03/20/2006	15	Kerogen Resources Inc. - Stock Option	9,579,500.00	1,368,500.00
03/28/2006	35	Klondex Mines Ltd. - Units	7,312,500.00	3,250,000.00
02/15/2006	8	Klondike Gold Corp. - Common Shares	155,000.00	775,000.00
03/28/2006	15	Lawrence & Company Inc. - Common Shares	13,825,618.00	138,256.18
03/30/2006	1	LoBenn Inc. - Common Shares	19,999.50	13,333.00
04/06/2006	1	Melkior Resources Inc. - Common Shares	900,000.00	600,000.00
03/13/2006	2	Merrill Lynch Financial Assets Inc. - Certificate	37,715,408.00	N/A
03/10/2006	2	Metanor Resources Inc. - Common Shares	35.50	50,000.00
03/23/2006	1	Mobile Satellite Ventures LP and MSV Finance Co. - Notes	1,352,359.62	N/A
04/03/2006	1	MTY Food Group Inc. - Common Shares	3,000,000.00	729,927.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/20/2006	59	Nayarit Gold Inc. - Units	3,042,000.50	4,056,000.00
03/23/2006	46	Netcap 2006 Mutual Fund Trust - Trust Units	1,389,000.00	13,890.00
03/23/2006	72	Netcap 2006 Mutual Fund Trust - Trust Units	1,152,500.00	11,525.00
03/23/2006	75	Netcap 2006 Mutual Fund Trust - Trust Units	1,953,500.00	19,535.00
03/23/2006	7	Network 2006 Limited Partnership - Limited Partnership Units	850,000.00	8,500.00
03/31/2006	2	NeurAxon Inc. - Preferred Shares	1,250,000.71	3,798,196.00
03/28/2006	12	Pareto Corporation - Common Shares	750,000.00	5,000,000.00
03/24/2006	10	Pele Mountain Resources Inc. - Units	681,600.50	1,947,430.00
03/24/2006	32	Propel Energy Corp. - Common Shares	1,508,625.00	546,500.00
03/22/2006	3	Queen Street Entertainment Capital Inc. - Common Shares	150,000.00	600,000.00
03/24/2006	1	Real Assets US Social Equity Index Fund - Units	11,956.00	N/A
05/06/2006	52	San Gold Corporation - Debentures	3,045,000.00	3,045,000.00
03/29/2006	4	Sciometric Instruments Inc. - Debentures	800,000.00	3,050,000.00
03/16/2006	2	Siemens Financeieringsmaatschapij - Bonds	1,151,496.43	1,000,000.00
03/24/2006	108	SilverCrest Mines Inc. - Units	2,980,000.00	3,725,000.00
03/27/2006	41	Southern Arc Minerals Inc. - Units	2,800,000.00	4,000,000.00
02/01/2006	4	Sterling Growth Fund - Limited Partnership Units	2,944,844.57	2,944,844.57
03/31/2006	9	Strategic Connections Inc. - Preferred Shares	6,545,641.12	N/A
03/20/2006	1	Terraco Gold Corp. - Common Shares	17,500.00	125,000.00
12/06/2005 to 12/09/2005	1	Trez Capital Corporation - Mortgage	154,881.00	154,881.00
03/28/2006	6	Triacata Power Technologies Inc. - Common Shares	90,000.00	90,000.00
03/24/2006 to 03/30/2006	59	Twin Butte Energy Ltd. - Common Shares	0.00	12,323,429.00
04/06/2006	4	Vanquish Oil & Gas Corporation - Common Shares	2,060,000.00	1,030,000.00
06/06/2006	17	Vanquish Oil & Gas Corporation - Flow-Through Shares	6,000,000.75	2,666,667.00
03/31/2006	3	Ventus Energy Ltd. - Common Shares	4,999,960.00	142,856.00
03/30/2006	432	Walton AZ Orchard Hills Limited Partnership - Limited Partnership Units	10,728,965.40	922,763.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/29/2006 to 03/31/2006	29	Walton International Group Inc. - Notes	1,395,000.00	615,000.00
03/31/2006	31	WBIC Canada Ltd. - Common Shares	326,226.48	236,396.00
03/10/2006	78	WellPoint Systems Inc. - Units	5,000,000.00	10,000,000.00
03/23/2006	1	Workgroup Designs Ltd. - Common Shares	50,000.00	1,000,000.00
03/28/2006	70	Yukon Gold Corporation - Units	3,217,549.40	5,331,327.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Advantaged Preferred Share Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 6, 2006
Mutual Reliance Review System Receipt dated April 7, 2006

Offering Price and Description:

\$125,000,000.00 - (5,000,000 Units Price: \$25.00 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Canada Canaccord Capital Corporation
Dundee Securities Corporation
Wellington West Capital Inc.

Promoter(s):

RBC Dominion Securities Inc.

Project #916520

Issuer Name:

Centerfire-FMA High Yield Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated March 31, 2006
Mutual Reliance Review System Receipt dated April 5, 2006

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Wellington West Capital Inc.

Promoter(s):

Centerfire Capital Management Inc.

Project #915144

Issuer Name:

Alexco Resource Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 5, 2006
Mutual Reliance Review System Receipt dated April 5, 2006

Offering Price and Description:

\$10,500,000.00 - 4,200,000 Common Shares

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Asset Liability Management Group ULC
NovaGold Canada Inc.

Project #915926

Issuer Name:

Central Fund of Canada Limited
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated April 10, 2006
Mutual Reliance Review System Receipt dated April 10, 2006

Offering Price and Description:

U.S. \$ * - * non-voting, fully-participating Class A Shares
Price: US\$ * per non-voting, fully-participating Class A Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

-

Project #917293

Issuer Name:

Corel Corporation
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary PREP Prospectus dated April 7, 2006
Mutual Reliance Review System Receipt dated April 10, 2006

Offering Price and Description:

\$ * - 8,000,000 Common Shares Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

Morgan Stanley Canada Limited
J.P. Morgan Securities Canada Inc.
Deutsche Bank Securities Limited
CIBC World Markets Inc.

Promoter(s):

-

Project #914932

Issuer Name:

Criterion Dow Jones - AIG Commodity Index Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 5, 2006
Mutual Reliance Review System Receipt dated April 6, 2006

Offering Price and Description:

Class A, B, C, D and F Units
Price: Net Asset Value per Unit
Minimum Initial Purchase: \$4,000

Underwriter(s) or Distributor(s):

-

Promoter(s):

Criterion Investments Limited

Project #915983

Issuer Name:

CU Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated April 4, 2006
Mutual Reliance Review System Receipt dated April 5, 2006

Offering Price and Description:

\$850,000,000.00 - Debentures (Unsecured)

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.

Promoter(s):

-

Project #915721

Issuer Name:

Ecopia BioSciences Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated April 10, 2006
Mutual Reliance Review System Receipt dated April 10, 2006

Offering Price and Description:

\$ * - * Units Price: \$ * per Unit

Underwriter(s) or Distributor(s):

Orion Securities Inc.
Desjardins Securities Inc.

Promoter(s):

-

Project #917087

Issuer Name:

Etruscan Resources Incorporated
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated April 7, 2006
Mutual Reliance Review System Receipt dated April 7, 2006

Offering Price and Description:

\$ * - * Units Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Sprott Securities Inc.

Promoter(s):

-

Project #916597

Issuer Name:

FortisAlberta Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated April 6, 2006
Mutual Reliance Review System Receipt dated April 6, 2006

Offering Price and Description:

\$100,000,000.00 - 5.4% Senior Unsecured Debentures due April 21, 2036 Price: 99.926% per Debenture

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #916263

Issuer Name:

Gateway Casinos Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 7, 2006
Mutual Reliance Review System Receipt dated April 7, 2006

Offering Price and Description:

\$35,000,000.00 - 5.35% Convertible Extendible Unsecured Subordinated Debentures

Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.

Promoter(s):

-

Project #916786

Issuer Name:

International Minerals Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 5, 2006
Mutual Reliance Review System Receipt dated April 6, 2006

Offering Price and Description:

\$ * Offering of Units (each Unit consisting of one IMC Share and one half of one IMC Warrant)
\$ * per Unit - and - \$ * Aggregate Principal Amount Offering of * % Convertible Unsecured Subordinated Debentures due 2012

Underwriter(s) or Distributor(s):

TD Securities Inc.
Dundee Securities Corporation

Promoter(s):

-

Project #915968

Issuer Name:

SILVERCORP METALS INC.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 6, 2006
Mutual Reliance Review System Receipt dated April 6, 2006

Offering Price and Description:

\$41,542,500.00 - 2,175,000 Units Price: \$19.10 per Unit

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
GMP Securities L.P.
CIBC World Markets Inc.
Salman Partners Inc.
MGI Securities Inc.
BMO Nesbitt Burns Inc.

Promoter(s):

-

Project #916385

Issuer Name:

Stock Exchange Sector Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 5, 2006
Mutual Reliance Review System Receipt dated April 6, 2006

Offering Price and Description:

\$ * - * Unit Price: \$10.00 per Unit Minimum Purchase: 100 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Bieber Securities Inc.
Blackmont Capital Inc.
Laurentian Bank Securities Inc.
Wellington West Capital Inc.

Promoter(s):

Quadravest Capital Management Inc.

Project #916106

Issuer Name:

TerraVest Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated April 6, 2006
Mutual Reliance Review System Receipt dated April 6, 2006

Offering Price and Description:

\$30,160,000.00 - 2,600,000 Units Price: \$11.60 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Clarus Securities Inc.
Raymond James Ltd.
CIBC World Markets Inc.
Scotia Capital Inc.
Sprott Securities Inc.
Wellington West Capital Markets Inc.
Orion Securities Inc.

Promoter(s):

-

Project #916401

Issuer Name:

Offering Pool Units of each of the Pools and Class F Units ,
Class O Units
and Class T Units as indicated :

AIC Private Portfolio Counsel Canadian Pool (Class F and
Class O Units)

AIC Private Portfolio Counsel U .S. Small to Mid Cap Pool
(Class F and Class O Units)

AIC Private Portfolio Counsel Global Pool (Class F and
Class O Units)

AIC Private Portfolio Counsel Bond Pool (Class F and
Class O Units)

AIC Private Portfolio Counsel Income Pool (Class F, Class
O and Class T Units)

AIC Private Portfolio Counsel Global Fixed Income Pool
(Class F and Class O Units)

AIC PPC Balanced Income Portfolio Pool (Class T Units)

AIC PPC Balanced Growth Portfolio Pool (Class T Units)

AIC PPC Core Growth Portfolio Pool

Principal Regulator - Ontario

Type and Date:

(1) Amended and Restated Simplified Prospectuses dated
April 4th, 2006, amending and restating the Simplified
Prospectuses dated February 21st, 2006; and

(2) Amendment No. 1 dated April 4th, 2006 to the Annual
Information Forms dated February 21st, 2006

Mutual Reliance Review System Receipt dated April 7,
2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

AIC Limited

Project #872491

Issuer Name:

CCS Income Trust

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 6, 2006

Mutual Reliance Review System Receipt dated April 6,
2006

Offering Price and Description:

\$229,999,985.25 - 6,258,503 Subscription Receipts, each
representing the right to receive one Trust Unit Price:

\$36.75 per Subscription Receipt

Underwriter(s) or Distributor(s):

Raymond James Ltd.

TD Securities Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

RBC Dominion Securities Inc.

First Energy Capital Corp.

National Bank Financial Inc.

Sprott Securities Inc.

Orion Securities Inc.

Promoter(s):

David P. Werklund

Project #908242

Issuer Name:

First Calgary Petroleums Ltd.

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 6, 2006

Mutual Reliance Review System Receipt dated April 6,
2006

Offering Price and Description:

\$141,030,000.00 - 15,670,000 Common Shares Price:

\$9.00 (£4.40) per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #910529

Issuer Name:

Great-West Lifeco Inc.

Principal Regulator - Manitoba

Type and Date:

Final Short Form Prospectus dated April 6, 2006

Mutual Reliance Review System Receipt dated April 6,
2006

Offering Price and Description:

\$300,000,000.00 - (12,000,000 shares) 4.50% Non-
Cumulative First Preferred Shares, Series I Price: \$25.00
per share to yield 4.50%

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

CIBC World Markets Inc.

TD Securities Inc.

National Bank Financial Inc.

HSBC Securities (Canada) Inc.

Merrill Lynch Canada Inc.

Desjardins Securities Inc.

Promoter(s):

-

Project #910754

Issuer Name:

Imaging Dynamics Company Ltd.

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 5, 2006

Mutual Reliance Review System Receipt dated April 5,
2006

Offering Price and Description:

\$15,000,002.50 - 4,285,715 Common Shares issuable on
exercise or deemed exercise of 4,285,715 Special
Warrants

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.

Sprott Securities Inc.

Versant Partners Inc.

Promoter(s):

-

Project #891165

Issuer Name:

imaxx TOP RSP Balanced Portfolio
imaxx TOP RSP Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 3, 2006 to Final Simplified Prospectus and Annual Information Form dated May 30, 2005

Mutual Reliance Review System Receipt dated April 10, 2006

Offering Price and Description:

Class A Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

AEGON Fund Management Inc.

Project #769878

Issuer Name:

Public Storage Canadian Properties
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated April 7, 2006
Mutual Reliance Review System Receipt dated April 7, 2006

Offering Price and Description:

\$48,214,000.00 - 4,821,430 Rights to purchase 2,410,715 Units at a price of \$20.00 per Unit Exercise Price: \$20.00 per Unit (upon the exercise of two Rights for one Unit)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #906043

Issuer Name:

Series A, F, I, O and R Shares of:

Mackenzie Maxxum Canadian Equity Growth Capital Class
Mackenzie Maxxum Dividend Capital Class
Mackenzie Select Managers USA Capital Class
of

Mackenzie Financial Capital Corporation
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated March 31, 2006 to the Simplified Prospectuses and Annual Information Forms dated October 30, 2005

Mutual Reliance Review System Receipt dated April 7, 2006

Offering Price and Description:

Series A, F, I, O and R Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Mackenzie Financial Corporation

Project #835510

Issuer Name:

Creststreet enHanced Income Energy Fund
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Prospectus dated February 27th, 2006
Withdrawn on April 6th, 2006

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

RBC Dominion Securities Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Blackmont Capital Inc.

Desjardins Securities Inc.

Raymond James Ltd.

Wellington West Capital Inc.

GMP Securities L.P.

Peters & Co. Limited

Tristone Capital Inc.

Promoter(s):

Creststreet Capital Corporation

Creststreet Chief Management Limited

Project #894408

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Investment House of Canada Inc.	Investment Counsel & Portfolio Manager	April 4, 2006
Change of name	From: 16290 – Garban LLC To: 16290 – ICAP Securities USA LLC	International Dealer,	April 1, 2006
Suspended based on the firm's consent to suspension under Rule 33-501 – <i>Surrender of Registration</i>	Pope and Company	Broker and Investment Dealer	Jan 1, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Prairie Hearing Panel Makes Findings Against Glenn Murray Greyeyes Hearing

NEWS RELEASE
For immediate release

MFDA PRAIRIE HEARING PANEL MAKES FINDINGS AGAINST GLENN MURRAY GREYEYES HEARING

April 11, 2006 (Toronto, Ontario) – A disciplinary hearing in the Matter of Glenn Murray Greyeyes was held today before a Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) in Edmonton, Alberta. The Hearing Panel found that the allegation set out by MFDA staff in the Notice of Hearing dated November 4, 2005, summarized below, had been established:

Allegation: Between May 2001 and June 2004, Mr. Greyeyes engaged in a series of loan transactions whereby he borrowed monies totaling \$243,000, more or less, from two of his mutual fund clients, thereby:

- (a) placing his personal interests above those of his clients and giving rise to a conflict of interest, contrary to MFDA Rule 2.1.4; and
- (b) engaging in conduct unbecoming an approved person, contrary to MFDA Rule 2.1.1.

The Hearing Panel reserved its decision with respect to penalty and advised that it would issue written reasons for its decision in due course.

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 176 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.2 MFDA Hearing Panel Issues Decision and Reasons respecting Ernest Ming Chung Lo Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES DECISION AND REASONS RESPECTING ERNEST MING CHUNG LO DISCIPLINARY HEARING

April 11, 2006 (Toronto, Ontario) – A Hearing Panel of the Ontario Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on March 3, 2006 in respect of Ernest Ming Chung Lo.

As previously announced at the hearing held on March 3, 2006, the Hearing Panel found that the three allegations set out by MFDA staff in the Notice of Hearing dated December 7, 2005, summarized below, had been established:

Allegation #1: Commencing in March 2004, Mr. Lo engaged in securities related business outside of the accounts and facilities of the Member, by facilitating the participation of a client, LC, in an investment (the “Braganza Investment”), contrary to MFDA Rule 1.1.1.

Allegation #2: Commencing in March 2004, Mr. Lo failed to observe high standards of ethics and conduct in the transaction of business by facilitating the participation of a client, LC, in the Braganza Investment, contrary to MFDA Rule 2.1.1 (b).

Allegation #3: Commencing on or about September 6, 2005, Mr. Lo failed to provide a report in writing as required by the MFDA in the course of an investigation, contrary to Section 22.1 of MFDA By-law No. 1.

The following is a summary of the Orders made by the Hearing Panel:

1. Mr. Lo is permanently prohibited from conducting securities related business in any capacity;
2. Mr. Lo shall pay a fine in the amount of \$10,000 to be applied concurrently in respect of Allegation #1 and Allegation #2;

3. Mr. Lo shall pay a fine in the amount of \$25,000 in respect of Allegation #3; and
4. Mr. Lo shall pay costs of the investigation and of the proceeding in the amount of \$2,000.

A copy of the Decision and Reasons is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 176 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

Chapter 25

Other Information

25.1 Exemptions

25.1.1 Placer Dome Inc. and Barrick Gold Corporation - s. 4.5 of MI 52-109 and s. 6.1 of the Fee Rule

Headnote

MRRS – issuer is wholly-owned subsidiary of reporting issuer and only has guaranteed subordinated debt outstanding – issuer exempt from certification requirements, subject to conditions – issuer also exempt from paying participation fee, subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.
Ontario Securities Commission Rule 13-502 Fees, s. 6.1.

**IN THE MATTER OF
MULTILATERAL INSTRUMENT 52-109 –
CERTIFICATION OF DISCLOSURE IN
ISSUERS' ANNUAL AND INTERIM FILINGS
(MI 52-109)**

AND

**ONTARIO SECURITIES COMMISSION
RULE 13-502 – FEES (the Fee Rule)**

AND

**IN THE MATTER OF
PLACER DOME INC. (PLACER DOME) AND
BARRICK GOLD CORPORATION
(BARRICK AND, TOGETHER, THE APPLICANTS)**

**EXEMPTION
(Section 4.5 of MI 52-109)
(Section 6.1 of the Fee Rule)**

UPON the Director having received an application (the Application) from the Applicants seeking (i) a decision pursuant to section 4.5 of MI 52-109 exempting Placer Dome from the requirement in MI 52-109 to file annual and interim certifications (the Certification Requirements) and (ii) a decision pursuant to section 6.1 of the Fee Rule exempting Placer Dome from the requirement in section 2.2 of the Fee Rule to pay the annual corporate finance participation fee for the period during which Placer Dome is exempt from the application of National Instrument 51-102 – *Continuous Disclosure Obligations* (the Continuous Disclosure Requirements);

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

AND UPON the Applicants having represented to the Director as follows:

1. Placer Dome is a corporation governed by the *Canada Business Corporations Act*. Placer Dome's head office is located in Vancouver, British Columbia.
2. Placer Dome is principally engaged in the exploration for, and the acquisition, development and operation of gold mineral properties.
3. Barrick Gold Corporation (Barrick) is a corporation governed by the *Business Corporations Act* (Ontario). Its head office is located in Toronto, Ontario.
4. Barrick is a leading international gold mining company, with a portfolio of operating mines and projects located in the United States, Canada, Australia, Peru, Chile, Argentina and Tanzania.
5. Placer Dome and Barrick are reporting issuers.
6. As a result of a take-over bid by Barrick for Placer Dome and subsequent compulsory acquisition, Placer Dome is now a direct wholly-owned subsidiary of Barrick.
7. Barrick intends to complete a transaction (the "Bump Transaction") in the second quarter of 2006 to obtain a "tax cost bump", which will increase the tax basis of certain of Placer Dome's assets.
8. As a result of the Bump Transaction, the assets and liabilities of Barrick and Placer Dome will be combined, and the combined company will be responsible for all of the obligations of Barrick and Placer Dome.
9. Placer Dome and Barrick have applied to the British Columbia Securities Commission and the Ontario Securities Commission under the mutual reliance review system for an exemption (the Continuous Disclosure Exemption) for Placer Dome from the application of National Instrument 51-102 – *Continuous Disclosure Obligations*, subject to certain conditions.
10. Placer Dome has outstanding the following debt instruments that were issued by prospectus:

Other Information

- (a) US\$200,000,000 principal amount of 6.375% Debentures due March 1, 2033, issued May 26, 2003;
- (b) US\$300,000,000 principal amount of 6.45% Exchange Debentures due October 15, 2035, issue April 14, 2004;
- (c) US\$230,000,000 principal amount of 2.75% Convertible Debentures due October 15, 2023, issued April 14, 2004 (US\$230 million outstanding as of March 6, 2006);
- (d) US\$100,000,000 7.125% Notes due June 15, 2007 and US\$100,000,000 7.75% Notes due June 15, 2015, issued June 16, 1995;
- (e) US\$100,000,000 8.5% junior subordinated debentures, Series B due December 31, 2045, issued December 17, 1996, with US\$77,000,000 outstanding as of March 6, 2006; and
- (f) medium-term notes, maturing between 2005 and 2026 with interest rates ranging from 6.6% to 8.1%, with US\$94,500,000 outstanding as of March 6, 2006.

11. Placer Dome has no intention of accessing the capital of markets in the future by issuing any further securities to the public.

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

IT IS THE DECISION of the Director, pursuant to section 4.5 of MI 52-109 that Placer Dome is exempt from the Certification Requirement, for so long as:

- (a) Placer Dome obtains the relief contemplated by, and Barrick and Placer Dome are in compliance with, the requirements and conditions set out in the Continuous Disclosure Exemption;
- (b) Placer Dome is not required to, and does not, file its own annual information form, annual financial statements, annual MD&A, interim financial statements and interim MD&A; and

- (c) Placer Dome files with the Decision Makers, in electronic format under Placer Dome's SEDAR profile, either (i) copies of Barrick's annual certificates and interim certificates at the same time as Barrick is required under MI 52-109 to file such documents or (ii) a notice indicating that it is relying on Barrick's annual certificates and interim certificates and setting out where those documents can be found for viewing on SEDAR.

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of the Fee Rule that Placer Dome is exempt from the requirement in section 2.2 to pay an annual corporate finance participation fee, for so long as:

- (a) Placer Dome obtains the relief contemplated by, and Barrick and Placer Dome are in compliance with, the requirements and conditions set out in the Continuous Disclosure Exemption;
- (b) all of the equity securities of Placer Dome continue to be held beneficially, directly or indirectly, by Barrick;
- (c) Barrick is a reporting issuer in Ontario;
- (d) Barrick has paid its participation fee pursuant to section 2.2 of the Fee Rule;
- (e) Placer Dome pays a final annual participation fee in the amount of \$18,750, representing the participation fee that would otherwise be payable for fiscal year 2006 pro rated for the period during which Placer Dome was subject to the Continuous Disclosure Requirements, and files a Form 13-502F1 by March 31, 2006; and
- (f) Placer Dome does not issue any further securities to the public.

DATED at Toronto, Ontario this 31st day of March, 2006.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

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