

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

AND

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

AND

IN THE MATTER OF
CANADIAN FINANCIAL SERVICES NT CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Canadian Financial Services NT Corp. (the "Issuer") for a decision under the securities legislation (the "Legislation") of the Jurisdictions that the Issuer be exempted from the requirement to file with the Decision Makers and to send to its security holders the audited annual financial statements of the Issuer in respect of the year ended December 31, 2000, as would otherwise be required pursuant to applicable Legislation;

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

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

1. The Issuer was incorporated under the laws of the Province of Ontario on August 17, 2000 and has its principal office at 1 First Canadian Place, 4th Floor, Toronto, Ontario, M5X 1H3.
2. The fiscal year end of the Issuer is December 31, with its first fiscal year end occurring on December 31, 2000.
3. The Issuer filed a final prospectus dated October 27, 2000 (the "Prospectus") with the securities regulatory authority in each of the provinces of Canada pursuant to which a distribution of 1,700,000 capital shares (the "Capital Shares") and 1,700,000 preferred shares (the "Preferred Shares") in the capital of the Issuer was completed on November 3, 2000.

4. The authorized capital of the Issuer consists of an unlimited number of Capital Shares, of which 1,700,000 are issued and outstanding, an unlimited number of Preferred Shares, of which 1,700,000 are issued and outstanding and an unlimited number class A shares (the "Class A Shares"), of which 100 are issued and outstanding, having the attributes described in the Prospectus.

5. All of the Class A Shares, which are the only class of voting shares of the Issuer, are held by 1066918 Ontario Inc. and are subject to an escrow agreement among 1066918 Ontario Inc., The Trust Company of Bank of Montreal and the Issuer.

6. The principal undertaking of the Issuer is the holding of a portfolio of common shares (the "Portfolio Shares") of selected Canadian publicly listed Schedule I banks, life insurance companies, investment management companies and other financial companies. Portfolio Shares held by the Issuer will only be disposed of in limited circumstances, as described in the Prospectus.

7. The Prospectus included an audited balance sheet of the Issuer as at October 27, 2000 and an unaudited pro forma balance sheet prepared on the basis of the completion of the sale and issue of Capital Shares and Preferred Shares of the Issuer. As such, the financial position of the Issuer as at November 3, 2000 was substantially reflected in the pro forma financial statements contained in the Prospectus as the financial position of the Issuer is not materially different from the pro forma financial statements of the Issuer contained in the Prospectus. Furthermore, no material acquisition or disposition has occurred during the period from the date of the Portfolio Shares were acquired on October 27, 2000.

8. The Issuer is a vehicle through which different investment objectives with respect to participation in the Portfolio Shares may be satisfied. Holders of Capital Shares will be entitled on redemption to the benefits of any capital appreciation in the market price of the Portfolio Shares. Holders of Capital Shares will also be entitled to receive dividends as declared by the Board of Directors of the Issuer. The Board has indicated that its policy is generally to declare and pay quarterly dividends on the Capital Shares substantially equal to the amount of any increase following October 27, 2000 in the aggregate cash dividends paid in the ordinary course on the Portfolio Shares, calculated on a quarterly basis. Holders of Preferred Shares will be entitled to receive dividends as declared by the Board of Directors of the Issuer. The Board has indicated that its policy is generally to declare and pay quarterly dividends on the Preferred Shares substantially equal to the full amount of the aggregate cash dividends paid in the ordinary course on the Portfolio Shares as at October 27, 2000, calculated on a quarterly basis, less the administration and operating expenses of the Issuer for that quarter.

9. The final redemption of the Capital Shares and the Preferred Shares is scheduled to occur on December 1, 2005.

10. The benefit to be derived by the security holders of the Issuer from receiving financial statements for the fiscal year ended December 31, 2000 would be minimal in view of the short period from the date of the Prospectus to its fiscal year end and given the nature of the business carried on by the Issuer.

11. The expense to the Issuer in preparing, filing and sending to its security holders financial statements for the fiscal year ended December 31, 2000 would not be justified in view of the minimal benefit to be derived by the security holders from receiving such statements.

12. The interim unaudited financial statements of the Issuer for the period ending June 30, 2001 and the annual report where applicable, and the annual audited financial statements for the period ending December 31, 2001 will include the period from October 27, 2000 to December 31, 2000.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Issuer is exempt from the requirement to file with the Decision Makers and deliver to its security holders, the audited annual financial statements of the Issuer for the year ended December 31, 2000, provided the interim unaudited financial statements of the Issuer for the six-month period ending June 30, 2001 and the annual audited financial statements for the period ending December 31, 2001 will include the period from October 27, 2000 to December 31, 2000.

DATED this 13th day of March, 2001.

J. A. Geller Robert W. Davis

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from requirement to file annual financial statement to split share company holding fixed portfolio of shares - issuer exempted from filing its first annual financial statement given the short year-end subsequent to the issuance of a final receipt for a prospectus and given that no material changes have occurred in the pro forma financial statements contained in the final prospectus, subject to certain conditions.

Applicable Ontario Statutory Provisions

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