

## Decision Document

In the Matter of the Securities  
Legislation of British Columbia,  
Alberta, Saskatchewan, Manitoba,  
Ontario, Quebec, New Brunswick,  
Nova Scotia, Newfoundland, Prince  
Edward Island, Yukon, Northwest  
Territories and Nunavut and In the  
Matter of the Mutual Reliance  
Review System for Exemptive Relief  
Applications and In the Matter of  
CanIssue Inc.

### MRRS Decision Document

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from CanIssue Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered as a dealer if trading in a security shall not apply to the Filer;

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

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

1. The Filer is incorporated under the *Business Corporations Act* (Ontario) for the purpose of owning and operating on behalf of certain dealers an Internet website accessible through the website [www.canissue.ca](http://www.canissue.ca) (the "Website"). The initial shareholders of the Filer will be BMO Nesbitt Burns Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, together with any additional shareholders from time to time, the "Dealers"). Except as may be otherwise determined by the shareholders, only a shareholder of the Corporation may be a participating dealer in the System (as defined below) owned and operated by the Filer on behalf of the Dealers.
2. The Filer is a vehicle to facilitate the shared ownership and operation of the Website by the Dealers, avoiding the need for each of them to develop its own technology, operate a website and bear the development and operating costs thereof.

3. It is not intended that the Filer have any employees or place of business. The software technology developed to operate the Website will be owned by the Filer, and an outsourcing agreement will be entered into between the Filer and an application service provider so that the Filer will not need to own or maintain computer hardware, nor be responsible for overseeing the operation of the software. The "System Administrator" will be responsible for administering the day-to-day operations of the Filer; these are expected to be minimal and include maintaining the corporate and financial records of the Filer. Each of the Dealers will serve a six-month rotating term as the System Administrator.

4. The Filer will be operated on a non-profit basis and will not make any dividends or other distributions to its shareholders. The Dealers will pay annual fees to the Filer calculated to cover the cost of operating, maintaining and upgrading the Website.

5. The Website will enable the electronic posting and delivery of offering documents, issuer information, rating agency reports and investor presentations with respect to new domestic fixed-income securities of non-government issuers ("New Issues"), the communication of expressions of interest in respect of New Issues and review of their status, and the e-mailing of information regarding New Issues (the "System"). The System will facilitate the distribution of New Issues to Canadian offices of banks, trust companies, investment dealers or brokers or other financial institutions; pension funds; investment counsellors or managers; mutual funds; or federal, provincial or municipal governments, crown agents or crown corporations (collectively, "Institutional Clients") by the Dealers. The System provides an electronic alternative to certain aspects of the current bookbuilding process conducted by the Dealers by telephone and by the delivery of documents by mail.

6. The System will be available to Institutional Clients of the Dealers with respect to New Issues offered by prospectus or private placement in the Jurisdictions. The System may be used for a New Issue if any of the Dealers acts as an underwriter or agent in respect of that New Issue and if it chooses to post the New Issue on the Website, though it is not obliged to do so.

7. Each of the Dealers is required to be registered in any Jurisdiction in which it carries on trading activities through the System, if registration is required in that Jurisdiction, and to conduct its trading activities through the System in accordance with applicable securities laws.

8. To have access to the System, an Institutional Client must be on the approved exempt coverage list maintained by the System Administrator.

9. In respect of any New Issue, an Institutional Client authorized to use the System will be assigned to a particular Dealer. A covering Dealer's salespersons

will be responsible for monitoring and acting as the contact for the Institutional Clients assigned to that Dealer in respect of a New Issue.

10. Dealers are responsible for ensuring that suitability obligations are met with respect to any authorized client assigned to it in respect of any New Issue and for dealing with any disputes arising out of the use of the System by their respective clients.

11. When an Institutional Client authorized to use the System first logs onto the Website, it will be required to accept certain terms and conditions (the "Agreement") pertaining to its use of, and its dealings on, the Website from time to time. Among other things, the Agreement will require the Institutional Client to acknowledge that the services made available through the System are not provided by the Filer but are only made available through a website owned and operated by it, that the client's dealings in respect of any New Issue will be with the particular Dealer assigned to cover it in respect of that New Issue only, and that the information or documents provided to the client on a Dealer's web pages are provided by that Dealer only and any information or documents e-mailed to it in respect of that New Issue will be from that Dealer only. The Agreement will also provide for the Institutional Client's consent to the electronic delivery of documents in accordance with National Policy 11-201.

12. Each Dealer will have its own subset of web pages on the Website. When an authorized Institutional Client accesses the Website, subject to having accepted the Agreement, and clicks onto a New Issue listed to obtain information or documents with respect to that New Issue, it will automatically be linked to the subset of web pages on the Website of the Dealer which has been assigned to cover that client with respect to that New Issue. Each web page of a Dealer will include a notice that the information or documents provided on that page are provided to the Institutional Client by the particular Dealer indicated on the page. Information or documents with respect to a New Issue may only be accessed through a Dealer's subset of web pages on the Website.

13. Institutional Clients authorized to use the System will be able to (i) review offering documents for New Issues; (ii) review issuer information relating to New Issues and incorporated by reference in the prospectus; (iii) review rating agency reports relating to New Issues; (iv) review investor presentations relating to New Issues; (v) communicate expressions of interest in respect of New Issues to the relevant covering Dealer; and (vi) view, for informational purposes, the status of their own expressions of interest previously communicated in respect of such New Issues. Offering documents and messages regarding the status of the New Issue and the bookbuilding process may also be e-mailed to the Institutional Clients on behalf of the relevant covering Dealer.

14. The lead underwriter for a particular New Issue which is to be posted on the System will be responsible for inputting and/or posting the relevant information with respect to that New Issue on the Website.

15. The Filer is not responsible for the preparation or review of any information or documents relating to any New Issue.

16. The Dealers have the sole discretion whether to fill or partially fill any order for securities of a New Issue and an expression of interest will only become a binding order once permitted under applicable securities laws and confirmed by the relevant covering Dealer.

17. No settlement occurs through the System.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Filer not be required to be registered as a dealer provided that:

1. the Filer report to the Decision Makers any material changes in its operations;
2. the Filer require the dealers participating in the System to conduct their trading activities with Institutional Clients through the System in accordance with applicable securities laws;
3. dealers participating in the System and offering access to the System to Institutional Clients in any Jurisdiction be a registered dealer in that Jurisdiction, if registration is required in connection with the relevant trading activities through the System;
4. the Agreement governing access to the Website and use of the System by Institutional Clients include specific provisions regarding the allocation of responsibilities and liabilities between the dealers and the Filer; and that the web pages on the Website clearly identify which of the participating dealers is dealing with an Institutional Client in respect of any particular New Issue;
5. the unanimous shareholder agreement of the Filer include specific provisions regarding the allocation of responsibilities among all dealers participating in the System, and between the participating dealers, the lead underwriter for any New Issue and the System Administrator;

6. CanIssue will maintain a copy of all information submitted via the System by Institutional Clients and Dealers in respect of New Issues for at least three years;

7. the Filer deliver to any Decision Maker at such time or times as such Decision Maker may require, any of the books, records and documents (including the information submitted via the System by Institutional Clients and Dealers in respect of New Issues) of the Filer; and

8. any person designated in writing by any Decision Maker may (a) enter the business premises of the Filer during business hours; and (b) inquire into and examine the books, records and documents (including the information submitted via the System by Institutional Clients and Dealers in respect of New Issues) of the Filer and make copies thereof.

DATED July 3, 2001.

"J.A. Geller"

"R. Stephen Paddon"