

January 31, 2006

IN THE MATTER OF

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

AND

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

AND

IN THE MATTER OF
CBID MARKETS INC.

AND

MARKETS SECURITIES INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (**Decision Maker**) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Newfoundland and Labrador, (the **Jurisdictions**) has received an application from CBID Markets Inc. (CBID) and Markets Securities Inc. (Markets, together with CBID, the Filers) for a decision pursuant to Part 7 of Multilateral Instrument 33-109 Registration Information (MI 33-109) exempting the Applicants from MI 33-109 so as to permit, under a plan of amalgamation, a bulk transfer to Perimeter Markets Inc. (**Perimeter**) of the business locations and individuals (**Representatives**) that are associated on the National Registration Database (**NRD**) with CBID and Markets, as referred to in Section 3.1 of the Companion Policy to MI 33-109 (the **Companion Policy**):

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the 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

1. CBID is currently registered as an Investment Dealer and Futures Commission Merchant in each of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario and Quebec.
2. Markets is currently registered as an Investment Dealer in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan.
3. CBID and Markets are both currently members of the Investment Dealers Association of Canada (**IDA**).
4. CBID and Markets are both corporations under the laws of Ontario with their head offices in Toronto, Ontario. The principal business of each of the Filers is the operation of an alternative trading system. CBID has approximately 6 employees, including 6 officers and directors registered in one or more of the Jurisdictions. Markets has approximately 4 employees, including 4 officers and directors registered in one or more of the Jurisdictions.
5. CBID and Markets propose to amalgamate on January 1, 2006 (the Amalgamation Date) and their respective securities businesses will be carried on in a similar manner by their amalgamated successor, Perimeter. In accordance with this amalgamation, all Representatives will be transferred to Perimeter. There should be no change to the Representatives' employment or responsibilities and each of the Representatives will be transferred under the same registration category.
6. It would be difficult to transfer each of the Representatives to Perimeter as per the requirements set out in the MI 33-109 given the multiple jurisdictions in which the Representatives are currently registered. Moreover, it is imperative that the transfer of the Representatives occur on the same date, in order to ensure that there is no break in registration.
7. The amalgamation of the Filers is not contrary to the public interest and will have no negative consequences on the ability of the Filers to comply with all applicable regulatory requirements or the ability to satisfy any obligations to clients of the Filers.
8. Within two months of the Amalgamation Date, the Filers will complete the bulk transfer of all Representatives and business locations.

Decision

Each of the Decision Makers is satisfied that the tests contained in MI 33-109 that provide the Decision Maker with the jurisdiction to make the Decision has been met;

The decision of the Decision Makers pursuant to MI 33-109 is that the following requirements of MI 33-109 shall not apply to the Filers:

9. the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of MI 33-109;

10. the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under section 5.2 of MI 33-109;

11. the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of MI 33-109;

12. the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of MI 33-109; and

13. the requirement under section 3.2 of MI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3,

provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the bulk transfer, as referred to in section 3.1(5) of the Companion Policy and make such payment within 10 business days of the completion of the bulk transfer.

"David Gilkes"