

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications -- Issuer of exchangeable partnership units exempt, subject to certain conditions, from National Instrument 51-102 Continuous Disclosure Obligations and Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings -- As a consequence of the arrangement, issuer became a reporting issuer in some jurisdictions -- Application in Ontario for an order deeming issuer to be a reporting issuer -- Exchangeable partnership units issued in connection with arrangement are exchangeable for units of issuer's indirect parent income trust -- Exchangeable partnership units have economic and voting rights nearly equivalent to indirect parent income trust units - Conditions of relief intended to ensure that continuous disclosure of issuer's indirect parent income trust will contain the information relevant to holders of exchangeable partnership units and will be accessible to such holders.

## **Applicable Legislative Provisions**

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.

Securities Act, R.S.O. 1990, c.S.5, as am., s. 83.1.

August 25, 2006

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
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  
CI FINANCIAL INCOME FUND,  
CANADIAN INTERNATIONAL LP AND  
CI INVESTMENTS INC.  
(collectively, the "Filers")**

## 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 Filers for a decision under the securities legislation of each of the Jurisdictions (the "**Legislation**") that,

(a) the Canadian International LP (the "**Partnership**") be deemed to be a reporting issuer in each of Ontario, New Brunswick and Newfoundland and Labrador (the "**Deemed Reporting Issuer Relief**");

(b) the requirements in National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") and any comparable continuous disclosure requirements under the Legislation that have not yet been repealed or otherwise rendered ineffective as a result of adopting NI 51-102 (the "**Continuous Disclosure Requirements**") do not apply to the Partnership (the "**Continuous Disclosure Relief**"), subject to certain conditions; and

(c) the requirements in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**MI 52-109**") do not apply to the Partnership (the "**MI 52-109 Relief**"), subject to certain conditions.

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 Filers:

CI Financial Income Fund

1. CI Financial Income Fund (the "**Fund**") is an unincorporated, open-ended, limited purpose trust governed by the laws of Ontario and created pursuant to a declaration of trust dated May 18, 2006.

2. The Fund's head and registered office is located at 2 Queen Street East, Twentieth Floor in Toronto, Ontario.
3. The Fund is authorized to issue an unlimited number of fund units ("**Fund Units**") and an unlimited number of special voting units ("**Special Voting Units**").
4. Upon completion of an arrangement effective June 30, 2006 (the "**Arrangement**") involving, among others, the Fund, the Partnership and CI Financial Inc. ("**CI Financial**"), there were 137,620,691 Fund Units outstanding and 146,774,836 Special Voting Units outstanding.
5. Prior to the Arrangement, the Fund was not a reporting issuer in any of the Jurisdictions. The Fund became a reporting issuer in each of the Jurisdictions, except Manitoba, Ontario, New Brunswick and Newfoundland and Labrador, upon completion of the Arrangement.
6. On July 12, 2006 the Fund received the final approval of the Toronto Stock Exchange (the "**TSX**") for the listing on the TSX of the Fund Units issued in connection with the Arrangement. The Fund thereupon became a reporting issuer in Ontario.
7. The Fund's first financial year-end subsequent to the Arrangement will be December 31, 2006 and the annual financial statements for the year ending December 31, 2006 are the first annual financial statements of the Fund required to be filed subsequent to the Arrangement. The interim financial statements for the period ending September 30, 2006 are the first interim financial statements of the Fund required to be filed subsequent to the Arrangement.

### **Canadian International LP**

8. The Partnership is a limited partnership established under the laws of Manitoba to directly or indirectly acquire the outstanding common shares of CI Financial ("**CI Financial Shares**") under the Arrangement.
9. The Partnership's head office is in Toronto, Ontario.
10. The Partnership is authorized to issue an unlimited number of Class A limited partner units ("**Class A LP Units**") and an unlimited number of Class B limited partner units ("**Exchangeable LP Units**").
11. Upon completion of the Arrangement, 137,620,691 Class A LP Units were outstanding, which Class A LP Units are directly owned by the Fund, 146,774,836 Exchangeable LP Units were outstanding, and all of the general partner interests were, and continue to be, owned by CI Financial General Partner Corp. ("**CI General Partner**").
12. Upon completion of the Arrangement, the Partnership became a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Quebec and Nova Scotia.
13. As a result of the varying definitions of "reporting issuer" contained in the Legislation of various Jurisdictions, the Partnership did not automatically, upon completion of the

Arrangement, become a reporting issuer in Ontario, Manitoba, New Brunswick and Newfoundland & Labrador.

### **The Arrangement**

14. Under the Arrangement, holders of CI Financial Shares exchanged their CI Financial Shares for either Fund Units or a combination of Exchangeable LP Units, Special Voting Units and (possibly) Fund Units.

15. The Exchangeable LP Units, together with the Special Voting Units, provide a holder with a security having economic and voting rights that are, as nearly as practicable, equivalent to those of the Fund Units.

16. In particular, each Exchangeable LP Unit:

(i) was issued together with a Special Voting Unit of the Fund entitling the holder to voting rights equivalent to the voting rights attached to the Fund Units; and

(ii) is exchangeable at any time and from time to time following January 1, 2007 (or such earlier date as the board of directors of CI General Partner may consent to) for a Fund Unit, subject to customary anti-dilution adjustments, in accordance with the terms and conditions of the exchange agreement dated as of June 30, 2006 among the Fund, the Partnership, CI General Partner and each person who, from time to time becomes or is deemed to become a party thereto by reason or his her or its registered ownership of Exchangeable LP Units.

17. CI General Partner has the exclusive authority to manage the business and affairs of the Partnership. The holders of Class A LP Units have the right to exercise 100% of the votes in respect of all matters to be decided by the limited partners of the Partnership.

18. Holders of Exchangeable LP Units do not have the right to exercise any votes in respect of any matters relating to the business, affairs, rights, privileges, entitlements or obligations of the Partnership or any partner of the Partnership, except as required by applicable law or in certain limited circumstances as set forth in the limited partnership agreement governing the Partnership.

19. The Exchangeable LP Units are not listed on the TSX.

20. The Fund will concurrently send to the holders of Exchangeable LP Units copies of disclosure materials that it sends to holders of Fund Units ("**Unitholders**"), including all information circulars, interim and annual financial statements, reports and other materials sent by the Fund to the Unitholders. To the extent such materials are provided to the Fund by other persons, the Fund will also send to holders of Exchangeable LP Units all materials sent by third parties to Unitholders, including dissident proxy circulars and take-over bid circulars, as soon as possible after such materials are first sent to Unitholders.

21. As, following the completion of the Arrangement, the Fund is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Partnership, other than the Exchangeable LP Units, the financial results of the Fund will wholly reflect the financial performance of the Partnership and the Fund will comply with all the requirements of MI 52-109.

## **Decision**

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decisions described herein have been met.

**1. THE DECISION** of the Decision Makers under the Legislation is that the Deemed Reporting Issuer Relief is granted for the purposes of the Legislation in the Jurisdictions of Ontario, New Brunswick and Newfoundland and Labrador.

"Carol S. Perry"  
Commissioner  
Ontario Securities Commission

"Wendell S. Wigle"  
Commissioner  
Ontario Securities Commission

**2. IT IS FURTHER THE DECISION** of the Decision Makers under the Legislation that the Continuous Disclosure Relief is granted for so long as:

(a) the Fund is a reporting issuer in at least one of the jurisdictions listed in Appendix B of National Instrument 45-102 -- *Resale of Securities* ("**NI 45-102**") and is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR);

(b) the Partnership concurrently sends, or causes to be sent, to all holders of Exchangeable LP Units resident in the Jurisdictions all disclosure materials that are sent to holders of Fund Units in the manner and at the time required by securities legislation, if the Fund is a reporting issuer in one of the Jurisdictions;

(c) the Fund files with the Decision Maker in each of the Jurisdictions copies of all documents required to be filed by it pursuant to NI 51-102;

(d) the Fund complies with the requirements of the Legislation and the TSX, or such market or exchange on which the Fund Units may be quoted or listed, in respect of making public disclosure of material information on a timely basis and immediately issues in Canada and files any news release that discloses a material change in its affairs;

(e) the Partnership complies with the requirements of the Legislation of each of the Jurisdictions to issue a news release and file a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of the Partnership that are not also material changes in the affairs of the Fund; and

(f) the Fund includes in all mailings of proxy solicitation materials to holders of Exchangeable LP Units a clear and concise statement that:

(i) explains the reason the mailed material relates solely to the Fund and not to the Partnership;

(ii) indicates that the Exchangeable LP Units are the economic equivalent to the Fund Units; and

(iii) describes the voting rights associated with the Exchangeable LP Units.

(g) the Fund remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Partnership, other than the Exchangeable LP Units;

(h) the Partnership has not issued any securities, and does not have any securities outstanding, other than:

(i) Exchangeable LP Units; (ii) securities issued to and held by the Fund or an affiliate of the Fund; (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, savings companies, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions, or (iv) securities issued under exemptions from the registration and prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus and Registration Exemptions*; and

(i) the Partnership files in electronic format: (i) a notice indicating that the Partnership is relying on the continuous disclosure documents filed by the Fund and setting out where those documents can be found in electronic format; or (ii) copies of all documents the Fund is required to file under the Legislation, other than in connection with a distribution, at the same time as the filing by the Fund of those documents with the Decisions Makers;

**3. AND IT IS FURTHER THE DECISION** of the Decision Makers that the MI 52-109 Relief is granted for so long as,

(a) the Partnership is not required to, and does not, file its own interim and annual filings (as those terms are defined under MI 52-109);

(b) the Fund files in electronic format under the SEDAR profile of the Partnership the:

(i) interim filings,

(ii) annual filings,

(iii) interim certificates; and

(iv) annual certificates,

of the Fund, at the same time as such documents are required to be filed under the Legislation by the Fund; and

(c) the Partnership is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

For each Jurisdiction, the Continuous Disclosure Relief and the MI 52-109 Relief will terminate 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends Part 13 of NI 51-102.

"Erez Blumberger"

Assistant Manager, Corporate Finance

Ontario Securities Commission