

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, QUEBEC, NEW
BRUNSWICK, PRINCE EDWARD ISLAND, NEWFOUNDLAND, YUKON, THE
NORTHWEST TERRITORIES AND NUNAVUT

AND

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

AND

IN THE MATTER OF DUNDEE WEALTH MANAGEMENT INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Dundee Wealth Management Inc. ("Dundee Wealth") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that certain trades in securities of Dundee Wealth are not subject to the registration and prospectus requirements set out in the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Dundee Wealth has represented to the Decision Makers that:
 - 3.1 Dundee Wealth is a corporation subsisting under the *Business Corporations Act* (Ontario) (the "OBCA") and is a reporting issuer or its equivalent under the Legislation of each of the Provinces of Canada;
 - 3.2 Dundee Wealth is authorized to issue, among other securities, an unlimited number of common shares ("Common Shares") and an unlimited number of special shares, issuable in series;
 - 3.3 Dundee Wealth wholly owns Dundee Securities Corporation ("DSC"), Dundee Private Investors Inc. ("DPII") and Dundee Insurance Agency Ltd. ("DIAL");

3.4 DSC, DPII and DIAL, together with all other existing and future subsidiaries of Dundee Wealth, are referred to collectively as "Dundee Subsidiaries" and individually as a "Dundee Subsidiary";

3.5 Dundee Wealth intends to enter into transactions from time to time with registered sales representatives, investment advisors, financial planners, licensed insurance sales representatives and other persons who provide services that are complementary to the business of the Dundee Subsidiaries including non-sales, administrative, technical and "back-office" services (all such persons being referred to collectively as "Representatives") in order to obtain new Representatives, assets under administration and services relating to the business of the Dundee Subsidiaries;

3.6 such transactions may include purchasing from Representatives:

3.6.1 their goodwill in their respective clients; and

3.6.2 other intangible assets used by the Representatives in the conduct of their business;

3.7 the transactions described above may include the issue of special shares, series E ("Series E Shares"), of Dundee Wealth to Representatives, which have substantially the same attributes as the Common Shares and will convert into Common Shares ("Underlying Common Shares") prior to or concurrently with their release from any escrow arrangement that is agreed upon by Dundee Wealth and the Representative;

3.8 in all cases the Representatives will provide *bona fide* services under a written contract and be required to spend a significant amount of time and attention on the affairs of Dundee Wealth or the applicable Dundee Subsidiary;

3.9 in considering whether to receive Series E Shares, Representatives will have access to the same information concerning the business and affairs of Dundee Wealth as most persons currently employed by Dundee Wealth or the Dundee Subsidiaries;

3.10 Series E Shares will not be issued to Representatives in connection with capital raising transactions and it is not anticipated that Series E Shares will be issued for cash consideration;

3.11 representatives will not be induced to acquire Series E Shares primarily by the expectation of employment or continued employment or the opportunity to render services or to continue rendering services to Dundee Wealth or a Dundee Subsidiary and in most instances Series E Shares will be issued by Dundee Wealth primarily to facilitate the relocation of Representatives from their current employment or business to a Dundee Subsidiary and/or to acquire assets relating to the Representatives' businesses;

3.12 Dundee Wealth acknowledges that the Canadian Securities Administrators have taken the position that sales representatives and investment advisors should only be permitted to carry out

services on behalf of mutual fund dealers or securities dealers if employed by the dealer or engaged under a principal and agent relationship with the dealer;

3.13 Dundee Wealth also acknowledges that the Alberta Securities Commission is now requiring all dealers to comply with the position of the Canadian Securities Administrators with respect to sales representatives and investment advisors and further acknowledges that the other Decision Makers may require similar compliance in the future;

3.14 exemptions are not consistently available under the Legislation from the registration and prospectus requirements in respect of the distribution to Representatives of Series E Shares and Underlying Common Shares;

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

5. 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;

6. THE DECISION of the Decision Makers under the Legislation is that:

6.1 the distribution of Series E Shares and Underlying Common Shares to Representatives is not subject to the registration and prospectus requirements set out in the Legislation; and

6.2 the first trade by a Representative in Series E Shares or in Underlying Common Shares, other than a trade exempt from the registration and prospectus requirements of applicable Legislation, shall be a distribution or primary distribution to the public, as the case may be, under applicable Legislation, except where:

6.2.1 the trade takes place in a Jurisdiction where Dundee Wealth is, and has been for twelve months, a reporting issuer or the equivalent under the Legislation of the Jurisdiction;

6.2.2 at least twelve months have elapsed since the date on which the Series E Shares were issued to the Representative;

6.2.3 if the Representative is in a special relationship with Dundee Wealth, the Representative has reasonable grounds to believe that Dundee Wealth is not in default of any requirement of the Legislation;

6.2.4 disclosure to the relevant Decision Maker has been made of the issue of Series E Shares to the Representative; and

6.2.5 no unusual effort is made to prepare the market or to create a demand for the Series E Shares or Underlying Common Shares and no extraordinary commission or consideration is paid in respect of such trade,

then the first trade by the Representative in Series E Shares or in Underlying Common Shares shall be a distribution or primary distribution to the public, as the case may be, only if it is a trade from the holdings of a Representative or combination of a Representative and other persons holding a sufficient number of securities of Dundee Wealth to affect materially the control of Dundee Wealth, but any holding of a Representative or combination of a Representative and other persons holding more than twenty per cent of the outstanding voting securities of Dundee Wealth shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Dundee Wealth.

DATED at Edmonton, Alberta this 4th day of October, 2000.

Eric T. Spink, Vice-Chair Glenda A. Campbell, Vice-Chair

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer intends to obtain new sales representatives and others, obtain assets under administration and services related to the business of the issuer, exempt from sections 54 and 81 of the Act;

Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended, ss 54, 81 and 116(1)