

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

AND

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

AND

IN THE MATTER OF
JOHN BART INVESTMENTS INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Saskatchewan and the Yukon (collectively, the "Jurisdictions" and, individually, a "Jurisdiction") have received an application from John Bart Investments Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

(a) the provisions of the Legislation that require a registered dealer who has acted as principal or agent in connection with any trade in a security to send a written confirmation of the trade shall not apply in connection with the automatic reinvestment of dividends paid by issuers in respect of securities held in pooled trading accounts administered by the Filer; and

(b) the provisions of the Legislation that require every confirmation provided by a registered dealer to disclose whether the registered dealer acted as principal or agent in respect of a trade shall not apply to the confirmations delivered by the Filer through its web site for the pooled trades administered by the Filer on behalf of its clients.

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

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) on June 25, 1999. Its sole office is located at 2 Carlton Street, Suite 1317, Toronto, Ontario, M5B 1J3.

2. On September 10, 1999, the Filer concurrently filed an application with the OSC for registration under the *Securities Act* (Ontario) in the category of Investment Dealer and an application with the Investment Dealers Association of Canada (the "IDA") for membership in the IDA. The Filer is also in the process of filing applications for registration as an Investment Dealer, or the equivalent thereof, under the securities legislation of each of the other Jurisdictions.
3. Once registered, the Filer intends to administer two types of trades on behalf of its clients: (i) traditional trades whereby the Filer will arrange for the immediate execution of a client's order to purchase or sell a security; and (ii) pooled trades whereby the Filer will pool orders received from its clients to purchase or sell a security in order that one aggregate order can be placed on a regular, periodic basis.
4. Pooled trades through the Filer will be administered in accordance with the terms of a plan (the "Plan") which will initially be referred to as the Low Cost Investing Program. The terms of the Plan will allow clients of the Filer to purchase or sell certain securities for a fraction of the cost which would otherwise apply to such transactions if conducted through other full-service, discount or on-line brokerage facilities. Clients who want to open a pooled trading account with the Filer will receive a document disclosing the operations of the Plan prior to the opening of such account.
5. A list of the securities available through the Plan (each such security being referred to herein as an "Eligible Security") will be posted on the Filer's web site and/or published in a publication available to the clients of the Filer. The list of Eligible Securities will only include: (i) common shares of certain companies listed on a recognized stock exchange; and (ii) securities issued by certain stock exchange index funds. The Filer will also post on its web site and/or publish in a publication available to its clients a schedule setting out the frequency and length of the investment period (the "Investment Period") for each Eligible Security, which is the designated period during which the Filer will administer trades in respect of that Eligible Security. The Investment Period for an Eligible Security will initially occur monthly but may occur at greater or lesser intervals, for example, on a bi-weekly or quarterly basis.
6. The process for administering pooled trades under the Plan will begin when the Filer receives orders from its clients either by mail, e-mail, facsimile or verbally, to purchase an Eligible Security through the Plan and the client either makes a lump-sum payment to the Filer or arranges for periodic, regular payments and, in either case, requests that such amount be invested during the next Investment Period for that Eligible Security.
7. Immediately prior to the beginning of the Investment Period for an Eligible Security, the Filer will prepare an order for a specific quantity of the Eligible Security by comparing the aggregate amount of funds (the "Aggregate Amount of Funds") received from its clients to be invested in that Eligible Security with the amount per share (the "Estimated Purchase Price") that the Filer estimates will be required to purchase shares of that Eligible Security during the Investment Period. The order will then be placed with a member (the "Jitney Broker") of the stock exchange on which the issuer of the Eligible Security is listed once the Investment Period begins.

8. Once the Jitney Broker has purchased the quantity of the Eligible Security requested by the Filer, the Jitney Broker will then deliver such shares to a custodian (the "Custodian") which will hold the shares on behalf of the clients who contributed funds to purchase the Eligible Security or, at the Filer's direction, the Jitney Broker itself may act as the Custodian for such shares. The Jitney Broker will then advise the Filer of the actual purchase price per share (the "Actual Purchase Price") of the Eligible Security, which will be the weighted average cost per share of all of the shares of the Eligible Security purchased during the Investment Period. Based on the Actual Purchase Price, the Filer will allocate the proper number of shares to each client (rounded to four decimal places) on its register of shareowners for that Eligible Security.

9. In arriving at the quantity of the Eligible Security to be ordered during an Investment Period, the Filer will always order a nominally larger quantity (approximately one per cent to three per cent more) than the quantity that would otherwise be arrived at using the Estimated Purchase Price and the Aggregate Amount of Funds. This is to ensure that enough shares of the Eligible Security are always purchased to allot the proper number of shares, based on the Actual Purchase Price and the Aggregate Amount of Funds, to each client who contributed funds. This nominal number of shares (referred to herein as "Excess Shares") will be held by the Filer and then will be contributed to the pool of shares that will be used to satisfy orders from the pooled trading clients of the Filer who contribute funds to purchase shares of that Eligible Security in the next Investment Period. The price per share received by the Filer for each Excess Share will be the weighted average cost per share of the shares of that Eligible Security purchased during the Investment Period when they are contributed.

10. When a client executes a pooled trade through the Filer other than a trade involving the reinvestment of dividends, as described below, a confirmation of such trade will be delivered to the client through the Filer's secure web site within 24 hours following the date that the trade was executed; however, the Filer will not send the client a paper copy of such confirmation unless the client specifically requests that a paper copy of such confirmation be sent and pays the applicable fee. The confirmation delivered through the Filer's web site will include all of the information required by the Legislation, except whether the Filer acted as principal or agent in connection with the trade due to the fact that the Excess Shares will be pooled with the newly purchased shares of the Eligible Security before being allotted amongst the applicable clients. The Filer's secure web site will also allow its clients to confirm at their convenience the total number of shares of an Eligible Security held in their pooled trading account and any debit or credit balance of funds at any time.

11. The document describing the operations of the Plan which will be provided to each client prior to opening a pooled trading account will disclose that a confirmation will not be sent in paper form in connection with any pooled trade unless the client specifically requests that a paper copy of the confirmation be sent and pays the applicable fee.

12. The Filer will deliver a statement through its web site at the end of each month to each client in whose account there was any activity during the preceding month (including the reinvestment of dividends, as described below). In addition, the Filer will send a statement in paper form to each client making at least one pooled trade during a month (other than the reinvestment of dividends) at the end of the month during which such trade occurs. A client may obtain

statements with respect to the activity in their pooled trading account on a more frequent basis by communicating their request to the Filer and paying the applicable fee. In addition, an annual statement will be sent to each client with securities in a pooled trading account at the end of the year.

13. As a condition of the Filer agreeing to set up a pooled trading account for a client, the client must agree that all or part of the cash dividends received from an issuer in respect of securities held in his or her account will be automatically reinvested by the Filer in additional securities of that issuer during the next Investment Period for that Eligible Security. Shares of an Eligible Security that will be received from an issuer as stock dividends will be automatically deposited with the Custodian. These securities will then be allocated on a pro rata basis to clients owning the Eligible Security. Securities, other than Eligible Securities, that will be received as a dividend will either be: (i) sold in the market and the proceeds treated as cash dividends; or (ii) at the Filer's discretion, added to the list of Eligible Securities and allotted on a pro rata basis to the applicable clients.

14. While the Filer does not intend to deliver confirmations either in paper form or electronically to its clients in connection with the reinvestment of dividends, except where a client specifically requests that such confirmation be sent and pays the applicable fee, a notice will be posted on the Filer's web site and/or published in a publication available to the clients of the Filer announcing the most recent receipt and reinvestment of dividends for each Eligible Security. The information contained in this notice, in conjunction with the information in the client's most recent statement, will provide the client with all of the information needed to determine the number of shares of the Eligible Security allocated to him or her as a result of the reinvestment of dividends. In addition, as mentioned above, a statement will be delivered through the Filer's web site at the end of each month for each client in whose pooled trading account there was any activity during the preceding month including the reinvestment of dividends and, as mentioned above, the Filer's web site will also allow its clients to confirm at their convenience the total number of shares of an Eligible Security held in their pooled trading account including shares purchased through the reinvestment of dividends.

15. The document describing the operations of the Plan which will be provided to each client prior to opening a pooled trading account will disclose that a confirmation will not be sent in connection with any reinvestment of dividends unless the client specifically requests that such confirmation be sent and pays the applicable fee.

AND WHEREAS pursuant to the 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 where the Filer is registered as an Investment Dealer or its equivalent in a Jurisdiction,

(a) the provisions of the Legislation of the Jurisdiction that require a registered dealer who has acted as principal or agent in connection with any trade in a security to send a written confirmation of such trade shall not apply in connection with the automatic reinvestment of dividends paid by issuers in respect of securities held in the pooled trading accounts administered by the Filer; and

(b) the provisions of the Legislation of the Jurisdiction that require every confirmation provided by a registered dealer to disclose whether the registered dealer acted as principal or agent in respect of a trade shall not apply to confirmations delivered by the Filer through its web site for the pooled trades administered by the Filer provided that the pooled trades are made in accordance with the terms of the Plan described in this Decision Document.

DATED at Toronto this 11th day of February, 2000.

Howard I. Wetston

Theresa McLeod