

June 15, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, 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
PERIMETER CAPITAL MANAGEMENT INC.
(Perimeter)

AND

NBCN INC. (NBCN, together 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 the Jurisdictions (the **Legislation**) that the requirement contained in the Legislation that a registered dealer which has acted as principal or agent in connection with any trade in a security, must promptly send by prepaid mail or deliver to the customer a written confirmation of the transaction setting out certain information specified in the Legislation (the **Trade Confirmation Requirement**) shall not apply with respect to trades conducted in a Catalyst Program Account (as defined below) (the **Requested 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:

1. Perimeter is registered under the Legislation as an adviser in the categories of investment counsel/portfolio manager or equivalent. Perimeter's head office is located in Toronto, Ontario.
2. Perimeter is the discretionary portfolio manager of a wrap account program called the Catalyst Managed Account Program (the **Catalyst Program**).
3. The Catalyst Program is offered to clients (the **Clients**) of dealers (the **Dealers**) which use NBCN as their correspondent broker.
4. Pursuant to the Catalyst Program:
 - (a) Perimeter will offer discretionary investment management services and third party advisers will be retained;
 - (b) the assets to be placed under management in the Catalyst Program will be held in an account at NBCN that is restricted for use only in the Catalyst Program, and the Dealer will not be permitted to trade in such account (the Catalyst Program Account); and
 - (c) NBCN will execute all trades on behalf of the Catalyst Program Accounts pursuant to instructions by or on behalf of Perimeter.
5. NBCN is registered under the Legislation as a dealer, in the category of investment dealer or equivalent, and is a member of the Investment Dealers Association of Canada (the **IDA**).
6. Each Dealer is, or will be, registered under the Legislation as a dealer, in the category of investment dealer or equivalent, and a member of the IDA.
7. To participate in the Catalyst Program, each Client enters a written discretionary portfolio management agreement (the **Catalyst Program Agreement**) with Perimeter, the Dealer and NBCN setting out the terms and conditions and the respective rights, duties and obligations of the parties.
8. Under the Catalyst Program Agreement, the Client will grant full discretionary authority over the assets in the Catalyst Program Account to Perimeter. These

Catalyst Program Accounts will be operated in full compliance with the Legislation and the regulations of the IDA.

9. The Client will provide sufficient information regarding the Client's investment objectives, preferences and restrictions pursuant to a Client questionnaire designed by Perimeter from which a written investment policy statement for the Client will be developed and agreed to by the Client.

10. The Catalyst Program Agreement will stipulate that the Client will pay a non-transactional fee based on a fixed percentage of the market value of the Client's Catalyst Program Account, depending in part on the type of assets in which the Client is invested, which will include all custodial, reporting, transaction and brokerage fees and commissions. The Client may be responsible for other charges relating to administration fees for account transfers, partial transfers, wire transfers, NSF cheques, certified cheques, unscheduled RRIF withdrawals, partial or full de-registration of registered accounts or other client initiated transactions or services. Perimeter will provide each Client a list of all potential administration fee charges.

11. Under the Catalyst Program Agreement, NBCN will act as custodian of the securities and other assets in the Catalyst Program Account. The Client will acknowledge and agree that transactions in the Catalyst Program Account directed by Perimeter will generally be executed through NBCN.

12. Perimeter as portfolio manager of the Catalyst Program Account will provide through the Dealer to the Client a statement of account with respect to the Client's Catalyst Program Account containing the information required under the Legislation, including a list of all transactions undertaken in the Catalyst Program Account during the period covered by that statement, and a statement of portfolio for the Catalyst Program Account at the end of such period. The statement of account will be provided to each Client no less frequently than quarterly.

13. With respect to securities transactions in Catalyst Program Accounts conducted through NBCN, NBCN will provide to Perimeter a written confirmation (which for greater clarity may include electronic transmissions capable of being printed) (**Trade Confirmation**) of each trade in the form and containing the information required under the Legislation. Clients will explicitly waive receipt of Trade Confirmations under the Catalyst Program Agreement.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, and the Filers and the Dealers are exempted from the Trade Confirmation Requirement regarding trades in a Catalyst Program Account, provided that:

- (a) the Client has consented in writing to the waiver of the Trade Confirmation Requirement;
- (b) NBCN delivers the Trade Confirmation to Perimeter; and
- (c) account statements are delivered to the Client in accordance with the Legislation and IDA regulations.

"Harold P. Hands"
Commissioner
Ontario Securities Commission

"Lawrence E. Ritchie"
Commissioner
Ontario Securities Commission