

August 5, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK, PRINCE EDWARD ISLAND,
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
TD WATERHOUSE INVESTOR SERVICES, INC.
(TDW or the Filer)**

AMENDED AND RESTATED 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 Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) to revoke a decision granted to the Filer dated July 26, 2002 (the Original Decision) and to amend and restate that decision as set out below.

The Original Decision exempted TDW and its agents from the dealer, adviser and underwriter registration requirements (the Registration Requirements) and the prospectus requirement (the Prospectus Requirement) contained in the Legislation so as to permit TDW and its agents to deal with the individuals (NI 35-101 Clients) referred to in section 2.1 of National Instrument 35-101 – Conditional Exemption from Registration for United States Broker-Dealers and Agents (NI 35-101) provided that such dealings are conducted in accordance with all terms and conditions of NI 35-101 save and except for the requirement that TDW has no office or physical presence in any jurisdiction of Canada.

TDW wishes to vary the Original Decision to reflect certain recent developments involving the call centre located in London, Ontario (the London Call Centre) which TDW operates through TD Waterhouse Canadian Call Center Inc. (TDWCCC), a wholly-owned subsidiary of TDW incorporated under the laws of Ontario.

TDW also wishes to vary the Original Decision to exempt TDWCCC from the Registration Requirements that would otherwise be applicable to any trading activity that may be conducted by it when TDW and its agents deal with NI 35-101 Clients.

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 Filer:

1. TDW is a corporation incorporated under the laws of the State of New York, U.S.A. and is a wholly owned indirect subsidiary of The Toronto-Dominion Bank (TD Bank), a bank listed on Schedule I of the Bank Act (Canada).
2. The head office of TDW is in New York, New York, U.S.A.
3. TDW is registered as a broker-dealer with the United States Securities and Exchange Commission pursuant to Section 15(b) of the Securities Exchange Act of 1934 as amended, to carry on business as a broker-dealer in the U.S.A.
4. The London Call Centre is currently dedicated to responding to inbound phone calls from clients of TDW who are not residents of Canada (Non-Canadian Clients) and NI 35-101 Clients. Representatives of TDW who work in the London Call Centre (TDW Representatives) respond to market and account activity inquiries received from Non-Canadian Clients and NI 35-101 Clients and provide them with information on market activities and developments, TDW products and services, customer account information, technical support, Web access support and stock market quotes. TDW Representatives who are registered under U.S. securities laws may also accept and route, but not execute, trading orders on behalf of Non-Resident Clients.
5. TD Bank operates two call centres located in Markham, Ontario and Edmonton, Alberta (the TD Bank Call Centres). Employees of TD Bank located in the TD Bank Call Centres act as representatives of TD Waterhouse Bank, N.A. (TDWBank) for the purpose of answering inbound phone calls from holders of TDWBank accounts who are resident in both the United States (U.S. Customers) and Canada (Canadian Customers) and who access the TD Bank Call Centres through the use of a toll-free line.
6. TDWBank is chartered as a national bank under the United States National Bank Act. It is a virtual bank that carries on the business of banking in the United States. It is an indirect wholly-owned subsidiary of TD Bank and its head office is located in Jersey City, New Jersey, U.S.A.

7. It is proposed to transfer the TD Bank Call Centres to the London Call Centre (the Call Centre Transfer) for the purpose of improving customer service and reducing the costs associated with the operation of three distinct call centres by consolidating the three call centres into a single call centre and by having the TDW Representatives act as representatives for both TDW and TDWBank.

8. It is also proposed to consolidate, and to thereby reduce the cost of conducting, TDW's call centre operation by transferring (the Support Services Transfer) certain TDW call centre support services (the Support Services) from a TDW call centre that is currently located in San Diego, California to the London Call Centre where the Support Services will become part of the TDW call centre platform that is currently operating within the London Call Centre.

9. Following the Call Centre Transfer, the London Call Centre will continue to respond to inbound phone calls from Non-Canadian Clients and NI 35-101 Clients, and it will begin responding to inbound phone calls from U.S. Customers and Canadian Customers, all of whom will gain access to the London Call Centre through the use of a toll-free line. In addition to acting as representatives of TDW, TDW Representatives will respond to account inquiries from, execute account transactions for, and offer a limited range of TDWBank financial products and services to, U.S. Customers and Canadian Customers. Financial products and services that will be available to U.S. Customers through the London Call Centre comprise U.S. certificates of deposit (CDs), U.S. interest bearing chequing accounts, overdraft protection, mortgages, a home equity line of credit, an unsecured line of credit and VISA credit cards. Financial products and services that will be available to Canadian Customers through the London Call Centre comprise CDs, U.S. interest bearing chequing accounts, overdraft protection, an unsecured line of credit and VISA credit cards.

10. Following the Support Services Transfer, TDW Representatives will also review for approval all Non-Canadian and NI 35-101 Client orders that are placed via the internet or a touch-tone telephone system. They will receive and respond to all email inquiries received by TDW. They will address technical problems encountered by Non-Canadian and NI 35-101 Clients when using electronic services that are available through TDW and they will monitor and supervise Non-Canadian and NI 35-101 Client accounts.

11. TDW does not establish accounts for, or trade securities with, or on behalf of, persons or companies who are resident in Canada except to the extent that it establishes accounts for, conducts trading in Canada with, NI 35-101 Clients in accordance with NI 35-101 other than the requirement that TDW have no office or physical presence in any jurisdiction of Canada.

12. Following the Call Centre Transfer and the Support Services Transfer, TDWBank will not trade securities with, or on behalf of, persons or companies who are resident in Canada save and except for CDs and U.S. interest bearing accounts that will be made available to Canadian Customers in reliance upon exemptions from applicable dealer registration and prospectus requirements that have been granted to, among others, TDWBank pursuant to an MRRS Decision Document issued by Canadian securities regulatory authorities.

13. The London Call Centre is, and will continue to be, operated in accordance with all applicable rules established by various U.S. regulatory authorities.

14. Within the London Call Centre, TDW's call centre operation is, and will continue to be, conducted in accordance with all applicable rules established by the SEC and the New York Stock Exchange (NYSE) and it is, and will continue to be, subject to the same procedures that apply to TDW's existing U.S. business. TDW's call centre operation is, and will continue to be, examined at least annually by representatives from TDW's compliance staff in New York and it is, and will continue to be, supervised by one or more properly qualified individuals acceptable to the NYSE.

15. TDWBank is subject to regulation, examination and supervision by the Office of the Comptroller of the Currency, its chartering agency, and the Federal Deposit Insurance Corporation, its deposit insurer.

16. TDW, TDWBank, TDWCCC and TDW Representatives who work in the London Call Centre on behalf of TDW and TDWBank will comply with all registration and other requirements of applicable U.S. securities legislation in respect of trades conducted with, or on behalf of, Non-Canadian Clients, NI 35-101 Clients, U.S. Customers and Canadian Customers.

17. The London Call Centre will continue to be an opaque presence, inaccessible to any person or company other than Non-Canadian Clients, NI 35-101 Clients, U.S. Customers, Canadian Customers and persons or companies who direct email inquiries to TDW.

18. The Ontario Securities Commission (the OSC) has issued a ruling and order (the Ontario Ruling) pursuant to subsections 74(1) and 144(1) of the Act providing that

(a) the TDW Representatives working in the London Call Centre shall not be subject to the requirements of paragraph 25(1)(a) of the Act where the TDW Representatives act on behalf of TDW or TDWBank in respect of trades in securities with or on behalf of Non-Canadian Clients or U.S. Customers, respectively, provided that the TDW Representatives comply with all registration and other requirements of applicable securities legislation in the U.S.A.; and

(b) each of TDW, TDWCCC and TDWBank shall not be subject to the requirements of paragraph 25(1)(a) of the Act with respect to trading conducted by it through the London Call Centre in securities with or on behalf of Non-Canadian Clients or U.S. Customers, respectively, provided that:

(i) a TDW Representative working in the London Call Centre acts on behalf of either TDW or TDW Bank in respect of such trading; and

(ii) TDW and TDWBank comply with all registration and other requirements of applicable securities legislation in the U.S.A.

19. TDW currently relies on the Original Decision for the purposes of dealing with NI 35-101 Clients.

20. As a consequence of the trading activity that is accommodated by the Ontario Ruling, TDW is unable to rely on NI 35-101 as it may be argued that TDW has an office or other physical presence in Canada as a result of its call centre operations located in the London Call Centre.

Decision

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 under the Legislation is that:

1. the Original Decision is revoked;
2. the Registration Requirements and the Prospectus Requirement shall not apply to TDW and its agents so as to permit them to deal with NI 35-101 Clients provided:
 - (a) such dealings are conducted in accordance with all terms and conditions of NI 35-101 save and except for the requirement that TDW has no office or physical presence in any jurisdiction of Canada; and
 - (b) the only office or physical presence that TDW has in Canada is the London Call Centre; and
3. the Registration Requirements shall not apply to TDWCCC in respect of any trading activity that is conducted by it when TDW and its agents deal with NI 35-101 Clients through the London Call Centre in the manner contemplated by this decision.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission