

FORM 10
(sections 19, 51 and 52 of *The Securities Regulations*)
The Securities Act, 1988

FINANCIAL QUESTIONNAIRE AND REPORT
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.....
(Firm Name)

.....
(Date)

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- D Statement of minimum free capital
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*FINANCIAL QUESTIONNAIRE AND REPORT
GENERAL INSTRUCTIONS TO PARTS I AND II*

1. All statements and schedules must be filed. If a schedule is not applicable a "nil" return must be filed.
2. All statements and schedules may be rounded to the nearest dollar.
3. The statements as they relate to commodity futures trading shall be prepared on a trade date basis.
4. The statements as they relate to securities may be prepared either on a trade or a settlement date basis. The basis used must be consistent throughout and with the previous year and noted on Statement A. Firms reporting on a trade date basis but determining margin deficiencies for customers, brokers and dealers on a settlement date basis must do so for **all** accounts and consistently from period to period. Similar requirements apply for firms reporting on a settlement date basis but providing margin on a trade date basis. Reference should be made to the regulations where applicable, particularly when changes in methods of reporting margining are contemplated.
5. Schedules should be attached showing details of any significant amounts that have not been clearly described on the attached statements and schedules.
6. Provision must be made in the financial statements for any unreconciled security position which cannot be satisfactorily reconciled to the latest count. Such provisions will be calculated at the market price at the date of this report. No allowance should be made for cases where the latest count is in excess of the records.
7. *Notes to the financial statements*

Any notes which may be necessary for the fair presentation of the financial statements and not contained in the supporting schedules should be attached as page 4 to Statement A.

8. Reference should be made to the definitions of words and terms in the Act and *The Securities Regulations*.
9. Firms not trading in commodity futures contracts need not file Schedules 1, 8 and 18 or "nil" returns stating that such schedules are not applicable.

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THESE REGULATIONS THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

AUDITORS' REPORT

To: The Saskatchewan Securities Commission
We have examined the following Financial Statements

of as at.....
(Firm Name) (Date)

Statement A - Statement of Assets and Liabilities and Capital

Statement B - Statement of Net Free Capital

Statement C - Statement of Adjusted Liabilities

Statement D - Statement of Minimum Free Capital

Statement E - Statement of Segregation in Requirements and Funds on Deposit in
Segregation

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances, including the audit procedures prescribed by the Saskatchewan Securities Commission.

In our opinion,

- (i) the statement of assets and liabilities presents fairly the financial position of the

firm as at _____ in the form
(Date)

required under *The Securities Regulations* in accordance with the basis of accounting disclosed in Note 1 applied on a basis consistent with that of the preceding year; and

- (ii) the statements of net free capital, adjusted liabilities, minimum free capital and statement of segregation requirements and funds on deposit in segregation

as at _____ are presented in

(Date)
accordance with applicable instructions in *The Securities Regulations*.

(Signature)

(Date)

NOTE: A measure of uniformity in the form of the auditor's report is desirable in order to facilitate identification of circumstances where the underlying conditions are different. Therefore, when auditors are able to express an unqualified opinion their report should take the above form.

Any limitations in the scope of the audit must be discussed in advance with the Saskatchewan Securities Commission.

STATEMENT A

(Page 1 of 3)

PART I

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

STATEMENT OF ASSETS

(As at.....)

- | | |
|--|----------|
| 1. (a) Cash on hand and in bank — | \$ |
| general funds | ..... |
| (b) Clients' trust accounts | ..... |
| (c) Contingency fund deposits and interest accrued thereon | _____ |
| 2. Dealer's residual financial interest in or dealer's funds
in excess of margin deficiencies advanced to clients' accounts | |
| 3. Cash surrender value of life insurance where the
registrant is the beneficiary | |
| 4. Secured loans receivable | ..... |
| 5. Securities owned — at market | ..... |
| 6. Inventory of cash commodities, other than securities | ..... |
| 7. Accrued interest on securities owned | ..... |

8. Joint Accounts	_____	
9. Receivable from clients		
(i) securities transactions	.....
(ii) commodity futures transactions (segregated)	_____	
10. Partners'/Shareholders accounts		.....
11. Brokers and dealers — securities transactions		.....
12. Brokers and dealers — commodity transactions (non-segregated)		.....
13. Recoverable and overpaid income taxes		.....
14. Commissions receivable — received within 25 days		
15. Dividends receivable — received within 25 days		.....
16. Other active assets — received within 25 days (give details)		
<hr/>		
17. ....		.....
20 TOTAL ACTIVE ASSETS		<u>.....</u>
Carried forward		

STATEMENT A
(Page 2 of 3)

PART I

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

STATEMENT OF ASSETS

(As at.....)

	Brought forward		\$
21. Fixed assets (depreciated value)		\$	
22. Stock and Commodity Futures exchange seats		\$	
23. Other assets (give details)		.....
24.		<u>.....</u>	_____
30. TOTAL NON-ACTIVE ASSETS			\$
			<u>\$</u>

Prepared for securities on:

A) trade date basis

B) settlement date basis

(check one)

(see notes and instructions)

STATEMENT A

(Page 3 of 3)

PART I

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

STATEMENT OF LIABILITIES AND CAPITAL

(As at.....)

50. Loans and bank overdrafts	\$
51. Amount by which funds required to be segregated exceed funds in segregation	.....
52. Securities sold short — at market	.....
53. Accrued interest on securities sold short	.....
54. Joint accounts	.....
55. Payable to clients:	
(i) securities transactions	\$
(ii) commodity futures transactions (non-segregated)	.....
56. Partners'/Shareholders' accounts	.....
57. Brokers and dealers — security transactions	.....
58. Brokers and dealers — commodity transactions (non-segregated)	.....
59. Unclaimed dividends and interest	.....
60. Provision for income taxes	.....
61. Deferred income taxes (relating to active assets and liabilities)	.....
62. Accounts payable and accrued expenses	.....
63. Other liabilities (give details)	.....

64.....	.....
75.TOTAL LIABILITIES (excluding subordinated loans)		\$
76.Deferred income taxes (relating to non-active items)		.....
77.Subordinated loans — other than shareholders/partners and employees		
78.Subordinated loans — shareholders/partners and employees		.....
79.....		.....
80.Capital	.....
81.Retained earnings or undivided profits	.....
82.Reserves	<u>.....</u>	
90.....		.....
TOTAL LIABILITIES AND CAPITAL		\$ <u>.....</u>

NOTES AND INSTRUCTIONS

- Line 5* – Securities must be valued at market value.
- Line 13* – Include **only** overpayment of prior years' income taxes or
current
year instalments. Taxes recoverable due to current year losses
may
be included to the extent that they can be carried back and
applied
against taxes previously paid.
- Lines 15 & 59* – The **gross** amounts claimable by and claimable against
the firm must
be reported. Dividends not received within 25 days after the
date of
this report must be shown under “other assets” on Line 23.
- Line 23* – This should include such items as:
Prepaid expense
Deferred charges
Deferred income tax debits
Investments in and advances to subsidiaries and affiliates
Other non-active assets

STATEMENT B
(Page 1 of 2)

PART I

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

STATEMENT OF NET FREE CAPITAL

(As at.....)

REFERENCE

1. A — 20 Total active assets	\$
2. A — 75 Deduct: Total liabilities	\$
3. Net loss on offsetting future purchase and sales committments if not provided above	<u>.....</u> <u>.....</u>
4. Add:	
(i) Loan value (market value less margin) of any subordinated loans of securities that are not included in accounts. Attach schedule giving details	.....
(ii) Non-current liabilities fully secured by mortgages on real estate owned by the registrant	.....
(iii) for outstanding instalments due to natural resource companies whose securities the registrant is in the process of distributing under prospectuses filed with the Commission	Obligations
5. LIQUID CAPITAL (Carry Forward)	\$

STATEMENT B
(Page 2 of 2)

5. (Carried Forward) LIQUID CAPITAL	\$
Deduct: Amount required to provide full margin for:	
6. Cash commodities, other than securities owned by the registrant	\$
7. Firm commodity futures trading accounts	.....
8. Securities owned by the registrants and securities sold short by the registrant	.....

Deduct: Amount sufficient to provide for any margin deficiencies on:

Secured loans receivable	.....
10. Clients' accounts in respect of commodity futures	.....
11. Joint accounts	.....
12. Accounts of partners and shareholders	.....
13. Accounts of clients and dealers	.....
14. Secured loans payable by the registrant if the collateral is held by other than the registrant or a financial institution	
15.	
16. Future purchase and sales commitments not included in the calculation of liquid capital	.....
17. Other liquid capital items	..........
18. NET FREE CAPITAL	

(see notes and instructions)

NOTES AND INSTRUCTIONS

- Line 4 (ii)*– Do not include amounts which fall due within one year.
- Line 11* – Exclude any interest of any member of a Stock Exchange named below
under line 13, The Investment Dealers' Association of Canada and any financial institution.
- Line 13* – Exclude –
 - (1) Bona fide cash settlement accounts with any member of The Toronto Stock Exchange, The Montreal Stock Exchange, The Vancouver Stock Exchange, The Alberta Stock Exchange, The New York Stock Exchange, The American Stock Exchange and The Investment Dealers' Association of Canada.
 - (2) Accounts with a financial institution and
 - (3) Bona fide cash settlement accounts that have not been outstanding more than ten days past the normal settlement date, where the shares have been available for delivery, and not more than twenty-one days past the trade date in any other case.

STATEMENT C

PART I

FINANCIAL QUESTIONNAIRE AND REPORT

.....

(Firm Name)

STATEMENT OF ADJUSTED LIABILITIES

(As at.....)

REFERENCE

- 1. A-75 Total Liabilities \$
- 2. Add: Unrecorded securities purchase commitments... _____
- 3. \$
- 4. Deduct:
 - A-1 (a) cash \$
 - (b) money on deposit in clients' trust accounts
 - (c) compensation fund or contingency fund
deposits and interest accrued thereon
- 5. A-3 Cash surrender value of life insurance where
the registrant is the beneficiary
- 6. Market value of securities that the registrant
owns or has contracted to purchase having
in either case, a margin rate of 5% or less
- 7. Accrued interest relating to securities in Line 6 above
- 8. Debit balances with financial institutions not
included in Line 4
- 9. Sales price of securities for which the registrant
has a sales commitment to a financial institution
- 10. The market value of securities which have a
margin rate of 5% or less, included in non-segregated
accounts of clients, partners, shareholders, dealers or
held as collateral for secured loans receivable, not
exceeding the debit balance of the account or the
secured loan receivable
- 11. ADJUSTED LIABILITIES \$

NOTES AND INSTRUCTIONS

Line 10 – If this deduction is made, care should be taken not to duplicate the deductions made under Line 8. A separate Schedule “C” should be attached showing separately for each account, the market value of the securities and the debit balances.

STATEMENT D

PART I

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

STATEMENT OF MINIMUM FREE CAPITAL

(As at.....)

REFERENCE

1. C-11 Adjusted liabilities \$
2. Capital requirements on adjusted liabilities:
 - 10% on first \$2,500,000 or part thereof
 - 8% on next \$2,500,000 or part thereof
 - 7% on next 2,500,000 or part thereof
 - 6% on next 2,500,000 or part thereof
 - 5% on balance over \$10,000,000
3. The greater of:
 - (a) up to the first \$20,000,000 in market value of commodity futures contracts, the sum of:
 - (i) 2 per cent of the market value for contracts, other than for securities representing a long position or the total number of commodity futures contracts, other than for securities, representing a short position in each commodity, whichever is the greater, carried for all customers' and firm

accounts excluding exempted contracts, and contracts entered into to effect a dealer's covering transaction; and

- (ii) 10 per cent of margin requirement for contracts for securities;

to a maximum of \$100,000; or

(b) the sum of:

- (i) ½ of 1 per cent of the market value of the total number of commodity futures contracts, other than for securities, representing a long position or the total number of commodity futures contracts, other than for securities, representing a short position in each commodity, whichever is the greater, carried for all customers' and firm accounts excluding exempted contracts and contracts entered into to effect a dealer's covering transaction; and
- (ii) 10 per cent of margin requirement for contracts for securities.

4. Reserved	
5. Customer concentration factor	.....
6. Commodity concentration factor	<u>.....</u>
7. Total of adjusted liabilities and contracts	.....
8. Capital requirement on insurance — Amounts deductible (greatest under any clause)	<u>.....</u>
9. Minimum free capital required	\$
10. B-10 Net Free Capital	<u>.....</u>
11. Excess (deficiency) Net Free Capital	<u>.....</u>

NOTES AND INSTRUCTIONS

Line 7 – For dealers selling securities the amount shown here will be not less than \$25,000.

Line 11 – All deficiencies must be reported immediately to the Saskatchewan

Securities Commission. An explanation must be given on this schedule for any capital deficiency and a description provided of the action taken to correct it.

STATEMENT E

PART II

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

STATEMENT of SEGREGATION REQUIREMENTS AND FUNDS ON DEPOSIT IN SEGREGATION

(As at.....)

REQUIREMENT

1. Net ledger balances of clients
 - (a) Cash \$
 - (b) Securities (at market)
2. Net unrealized profit-loss in open commodity futures contracts held for clients
3. Net equity of commodity clients (1+2)
4. Add — Accounts liquidating to a deficit and accounts with debit balances but no open trades
5. Amount required to be segregated (3+4) \$

FUNDS ON DEPOSIT IN SEGREGATION

6. Deposited in segregated accounts with financial institutions:
 - (a) Cash \$
 - (b) Securities representing investment of customer's funds (at market)
 - (c) Securities deposited by customers in lieu of cash margins (at market)
7. Margins on deposit with clearing houses
 - (a) Cash
 - (b) Securities deposited by customers in lieu of cash margins (at market)

8. Due to/from clearing houses	.....
9. Equities with other commodity futures dealers who carry clients' trades on an omnibus basis	.....
10. Segregated funds on hand:		
(a) Cash	.....
(b) Securities representing investment of clients' funds (at market)	.....
(c) Securities deposited by customers in lieu of cash margins (at market)	.....
	<u>.....</u>	
11. TOTAL AMOUNT IN SEGREGATION	\$	
Excess/Deficiency of Funds in Segregation (Line 11 minus Line 5)	<u>.....</u>	

NOTES AND INSTRUCTIONS

The registrant must report immediately any deficiency of funds in segregation to the Saskatchewan Securities Commission.

FINANCIAL QUESTIONNAIRE AND REPORT

PART II - AUDITORS' REPORT

To *The Saskatchewan Securities Commission*

Pursuant to our examination of Statements A to E of Part I, we have examined the

Part II Schedule 19 of

(firm)

as at.....

(date)

In our opinion Schedule 19, the summary statement of income, presents fairly the results of its operations for the year then ended in the form required by *The Securities Regulations* and in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The additional information set out in Part II, schedules 1 to 18 and the answers contained in questions 5 and 6 on the certificate of partners or directors have been subjected to the tests and other auditing procedures applied in the examination of the financial statements A to E in Part I and

schedule 19 in Part II, and in our opinion, are fairly stated in all respects material in relation to these financial statements taken as a whole.

.....
(Signature) (Date)

NOTE: A measure of uniformity in the form of the auditor's report is desirable in order to facilitate identification of circumstances where the underlying conditions are different. Therefore, when auditors are able to express an unqualified opinion their report should take the above form.

Any limitations in the scope of the audit must be discussed in advance with the Saskatchewan Securities Commission.

PART II

*FINANCIAL QUESTIONNAIRE AND REPORT
CERTIFICATE OF PARTNERS OR DIRECTORS*

.....
(Firm Name)

I/We have examined the attached Part I statements and Part II schedules and certify that, to the best of my/our knowledge, they present fairly the financial position of the

firm atand the results of operations for the period then ended, and are in agreement with the books of the firm.

I/We certify that the following information is true and correct to the best of my/our knowledge for the period from the last audit to the date of the attached statements which have been prepared in accordance with the current requirements of *The Securities Regulations*.

ANSWERS

- (1) Do the attached statements fully disclose all assets and liabilities including the following? (If not, give full particulars):
- (a) All future purchase and sales commitments?
 - (b) Outstanding puts, calls or other options?
 - (c) Participation in any underwriting or other agreement subject to future demands?
 - (d) Writs issued against the firm or partners or corporation or any other litigation pending?

- (e) Income tax arrears of partners or corporation?
 - (f) Other contingent liabilities, guarantees, returned drafts, accommodation endorsements or commitments affecting the financial position of the firm?
- (2) Is the registrant (or any partner or director thereof) a partner, director or principal shareholder in any other firm or company whose principal business includes dealing in securities with the public? If so, give particulars.
 - (3) Have any securities in distribution been offered or sold for amounts in excess of that disclosed in the prospectus qualifying the securities?
 - (4) Has any disbursement been made or transaction entered into subsequent to the statement date which may create a deficiency in the firm's capital position? If so, give details.
 - (5) Does the registrant promptly segregate all clients' free securities?
 - (6) Does the registrant carry insurance of the type and in the amount required by the regulations?

.....
 (Date)

.....

NOTES AND INSTRUCTIONS

To be signed by: —

- (i) chief executive officer/partners
- (ii) chief financial officer
- (iii) the registrant (if applicable)
- (iv) the chief accountant
- (v) at least two directors/partners if not included in (i) to (iv) above.

Any partner/director and any officer or employee with senior management responsibility for areas where unrecorded liabilities may occur (e.g.

underwriting and money market departments) must sign a copy of this report to indicate that he has examined it and is satisfied that, to the best of his knowledge, it is correct.

SCHEDULE I

ANALYSIS OF CLIENTS' ACCOUNTS THAT LIQUIDATE TO A DEFICIT OR HAVE DEBIT BALANCES WITH NO OPEN TRADES
(Commodity Futures Transactions)

	<u>Debit</u>	<u>Amount Required to Provide Full Margin</u>
1. Accounts with margin deficiency .....	.....	.....
2. Accounts that contain debit balances with no open trades .....	.....	.....
TOTAL .....	.....	.....
3. Less allowance for bad debts or accounts provided for but included above .....	.....	.....
	A-9(ii)	B-10
	_____	_____

NOTES AND INSTRUCTIONS

1. Clients with more than one account may use an account with excess funds to secure an account which liquidates to a deficit or to secure an account with a margin deficiency if each account and balance involved is clearly identified on a separate Schedule "1A". Such an arrangement must be evidenced by a written agreement.
2. Line 1. The total deficit in clients accounts that liquidate to a deficit should be entered in the left-hand column under the heading "Debit". The total margin deficiency in client accounts should be entered in the right-hand column. For example, client A's account liquidates to a deficit of \$1,000 and his commodity position requires \$2,000 margin; client B's equity amounts to \$1,500 and his commodity position requires \$2,000 margin. The entries in line 1 should be "Debit" — \$1,000 and "Amount Required to Provide Full Margin" — \$3,500 (\$3,000 as to client A and \$500 as to client B).

PART II

SCHEDULE 2

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

.....
(Date)

ANALYSIS OF SECURED LOANS RECEIVABLE
(Including purchase and resale agreements)

<i>Coding, or Name of Borrower and Term</i>	<i>Amount of Loan Including Accrued Interest</i>	<i>Market Value of Collateral</i>	<i>Loan Value of Collateral</i>	<i>Required to Margin</i>
---	--	---------------------------------------	-------------------------------------	-------------------------------

(Note 1)

*DEFINED FINANCIAL
INSTITUTIONS*

OTHER

_____ B-9

Notes:

1. A borrower may be identified in column 1 by means of a code or symbols provided that the code or symbols and their meaning and any change or addition thereto are submitted.
2. All market values shall include accrued interest.
3. Attach a schedule (2A) providing the following details for collateral securities with a margin rate greater than 5%; description of security, market price, market value, margin rate and loan value.
4. The total in the left hand column should be referenced to Statement A, line 4. The total for defined financial institutions should be included in Statement C, line 8.
5. Receivables from DFI's must be fully secured, deficiencies to be provided for as margin.
6. Non-DFI receivables to be fully margined at all times.
7. Where securities are borrowed and/or swapped with DFI. where the short market value in the account is greater than the long market value, the deficiency (the amount required to fully secure) must be provided as margin.

SCHEDULE 3

.....

(Name of Registrant)

A. SECURITIES OWNED AND SOLD SHORT AT MARKET VALUE

	<u>Balance</u>		<u>Margin Required</u>
	<u>Debit</u>	<u>Credit</u>	
	<u>(Long)</u>	<u>(Short)</u>	
1. Securities having a margin rate of 5% or less .....			.....
Less — Dealer's securities deposited in segregation and with other dealers commodity futures (segregated accounts) .....			.....
2. Carry debit to Statement C, Line 6			
3. Other securities			
Less — securities on deposit with other dealers commodity futures (segregated accounts) .....			.....
	A-5	A-52 B-8	_____

B. CASH COMMODITIES OTHER THAN SECURITIES OWNED AT MARKET VALUE

11. Cash commodities, other than securities:			
(a) Hedged	\$	\$	
(b) Unhedged	.....	.....
12.....	.....	.....
13.....	.....	.....
20. TOTAL	\$	\$	
	A-6	B-6	

NOTES AND INSTRUCTIONS

All securities are to be valued at market but no adjustment need be made for securities with no collateral value, carried on the books at less than market.

Attach a schedule setting out the name and description of each security, market price, market value, margin rate and margin. In the case of debt instruments where yield rate is used to determine market price the yield rate must be disclosed. Information may be given in summary form as to securities issued or guaranteed by the Government of Canada or any province of Canada. The summary should include the total market values and total margin requirements for all Government of Canada issues for which the same margin rate is prescribed, and like totals - also by margin rate categories - for provincial issues. It is not necessary to distinguish between provinces. Insignificant holdings of securities that require 100 per cent margin may be shown in total.

PART II

SCHEDULE 4

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

.....
(Date)

UNDERWRITING STOCKS

Name of Security	Number of Shares	Cost	Value Per Unit		Balance		Amount Required to Fully Margin (Note 2)
			(Note 1) Market	Option	Debit (Long)	Credit (Short)	
Taken down with in 30 days of the date of these statements							
1.....
2.....
3.....
4.....
5.....
Sub-Total				
Taken down within 30 to 90 days of the date of these statements							
6.....
7.....
8.....
9.....
10.....
Sub-Total				

All other underwriting stocks			
11.....	.....	.....	.....
12.....	.....	.....	.....
13.....	.....	.....	.....
14.....	.....	.....	.....
15.....	.....	.....	.....
Sub-Total		.....	.....
TOTAL		.....	.....
		A-5	A-52 B-8

NOTES AND INSTRUCTIONS

1. All three unit values must be indicated and the lowest value used in valuing the long and short positions.
2. Underwriting stocks which have been in distribution longer than 90 days from the issue of the final receipt for the prospectus or which have not been pledged as collateral must be margined.
3. Commitments made for deals not taken down must be shown on Schedule 14 and are not to be included in this Schedule unless they are recorded in the statements of assets and liabilities.

PART II

SCHEDULE 6

FINANCIAL QUESTIONNAIRE AND REPORT

*ANALYSIS OF CLIENTS' ACCOUNTS LONG AND SHORT
(SECURITY TRADING ONLY)*

.....
(Firm Name)

.....
(Date)

BALANCES

	Debit (Long)	Credit (Short)	Amount Required to Fully Margin
<i>Ordinary Clients</i>			
1. Cash settlement (Note 2)	_____	_____	_____
2. Fully margined	_____	_____	_____
3. Undermargined but fully secured	_____	_____	_____

4. Partly secured (unsecured amount \$)	_____	_____	_____
5. Unsecured debts	_____	_____	_____
6. Free credits	_____	_____	_____
Financial Institutions			
7. Banks and trust companies	_____	_____	_____
8. Others (as defined)	_____	_____	_____
9. Less – Allowance for bad debts or accounts provided for but included above	_____	_____	_____
10. Totals	.....	.....	.....
	A-9(i)	A-55(i)	B-13

NOTES:

1. Accounts should only be classified as cash settlement accounts where they comply with requirements set out under the regulations.
2. Cash settlement transactions with ordinary clients that on the statement date have been outstanding more than 21 days past the normal settlement date must be margined. If sufficient margin has not been provided by the client, the account cannot be included in Item 1.

SCHEDULE 8

.....
(Name of Registrant)

ANALYSIS OF FIRM COMMODITY FUTURES TRADING ACCOUNT

<u>Market</u>	<u>Commodity</u>	<u>No. of Contracts</u>		<u>Full Margin Required</u>
		<u>Long</u>	<u>Short</u>	

			

B-7

PART II

SCHEDULE 9

FINANCIAL QUESTIONNAIRE AND REPORT

.....

(Firm Name)

.....
(Date)

**ANALYSIS OF BROKERS' AND DEALERS' ACCOUNTS
OUTSTANDING TRADING BALANCES
(SECURITY TRADING ONLY)**

	Debit (Trades to deliver)	Credit (Trades to receive)	Amount Required to Fully Margin
1. Members of T.S.E., M.S.E., V.S.E., Alta S.E., N.Y.S.E., AMEX and/or the I.D.A.....
2. Other brokers and dealers cleared within 10 days from value date
3. Uncleared (Note 2)
4.
10. Total.....

A-11	A-57	B-13	

NOTES:

1. This schedule is to include any amounts representing ordinary security transactions with other brokers and dealers. Balances arising from other types of transactions should be shown on the statements of assets or liabilities and capital against items 16, 23 or 63.
2. Other brokers and dealers must be margined in the same manner and on the same basis as ordinary clients.

PART II

SCHEDULE
Page 1 of 2

FINANCIAL QUESTIONNAIRE AND REPORT
(To be completed at financial year end only)

.....
(Firm Name)

.....
(Date)

ANALYSIS OF INCOME TAXES

A. *Income Tax Payable (Recoverable)*

1. Balance payable (recoverable) at last financial year end		\$
2. Payments made or (received) relating to above Balance	.....
3. Adjustments (including reassessments) relating to prior period (give details if significant)	<u>.....</u>	<u>.....</u>
4. Balance (if any) relating to prior years		.....
5. Provisions for income taxes currently payable, including taxes on extraordinary items OR	.....
Recovery of income taxes due to losses in the current period	<u>.....</u>	<u>.....</u>
6. Sub-total		<u>.....</u>
7. Payments on account of the current period		.....
8. Sub-total		<u>.....</u>
9. Other adjustments (give details)		.....
10. Current balance payable (recoverable)		\$ <u>.....</u>

A-13-if recoverable
A-60-if payable

B. *Deferred Income Taxes* _____ *Credit*

	<i>Debit</i>	<i>Re Active Assets and Liabilities</i>	<i>Re Non-Active Assets</i>
1. Balance at last year-end \$	\$	\$	\$
2. Changes during the period (give details if significant).....	.....	.....	.....
3. Present balance	\$ <u>.....</u>	\$ <u>.....</u>	\$ <u>.....</u>
	A-23	A-61	A-76

NOTES AND INSTRUCTIONS

1. On this schedule balances recoverable (i.e. *debits*) should be shown in brackets.
2. *Line A10* – If the balance includes amounts relating to other than the current year then analysis should be provided by year.

PART II

SCHEDULE
Page 2 of 2

FINANCIAL QUESTIONNAIRE AND REPORT
(To be completed at financial year end only)

.....
(Firm Name)

.....
(Date)

ANALYSIS OF INCOME TAXES
(Continued)

C. *Reconciliation*

- | | |
|--|-----------------|
| 1. Income taxes provided (recovered)
(line A5) | \$ |
| 2. Adjustments relating to prior periods
(line A3) | |
| 3. Other adjustments
(line A9) | |
| 4. Net change in deferred income taxes
(line B2) | <u>.....</u> |
| 5. Total income taxes | \$ <u>.....</u> |
| 6. Total income taxes per Schedule 19
(line 6) | |
| 7. Income taxes included in Schedule 19
(line 8) | |
| 8. Income taxes charged or credited
directly to retained earnings
(Schedule 12) Items 11 or 12 | <u>.....</u> |
| 9. Total income taxes (agrees with line C5) | \$ <u>.....</u> |

PART II

SCHEDULE

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)
.....

(Date)

LOAN AND BANK OVERDRAFTS

	Balances	Margin Required
1. Bank overdrafts	\$	Nil
2. Call Loans – Canadian chartered banks (secured)	.....	Nil
3. Call Loans – Trust Companies which are defined financial institutions (secured)	.....	Nil
4. Loans – other – secured – collateral held by registrant, or defined financial institutions	.....	Nil
5. Loans – other – secured – collateral held by others (give details)	.....	.....
6. Loans – other – unsecured	.....	Nil
7.	<u>.....</u>	.....
10. TOTAL (Do not include subordinated loans)	\$ <u>.....</u>	\$ <u>.....</u>
	A-50	B-14

NOTES:

Line 5 – A schedule is required (11a) for each loan in this category. Details must include the name of the lender, amount of the loan, and the description, quantity, market price and total market value of each security held by the lender as collateral. In addition, the margin rate and total margin requirement must also be provided. All such loans must be fully margined at all times and any margin deficiencies are to be carried to Statement B, line 14. The margin requirement for such loans is the market value of the collateral less the amount of the loan, less any margin already provided on the collateral (e.g. in inventory, loans receivable, etc.)

PART II

SCHEDULE

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

.....
(Date)

CHANGES IN CAPITAL AND RETAINED EARNINGS

A. *Capital*

- | | |
|---|----------|
| 1. Balance at last year end | \$ |
| 2. Increases during period – give details | |
| (a) | |
| (b) | |
| (c) | |
| 3. .... | ..... |
| 4. .... | ..... |
| 5. Decreases during period – give details | |
| (a) | |
| (b) | |
| (c) | |
| 6. .... | ..... |
| 7. Present capital | \$ |
| <hr/> | |
| | A-80 |
| 8. Analysis of present capital | |
| (a) | |
| (b) | |
| (c) | |
| 9. To agree with line 7 above | \$ |

B. *Retained Earnings (Corporations) or
Undivided Profits (Partnership)*

- | | |
|--|-------|
| 10. Balance at last year end | ..... |
| 11. Increases during period – give details | |
| (a) net income for the period
(Schedule 19 line 11) | |
| (b) | |
| (c) | |
| <hr/> | |

12. Decreases during period – give details
- (a) net loss for the period
(Schedule 19 line 11)
 - (b) dividends paid or partners drawings.....
 - (c)
 - (d)

13. Present retained earnings or undivided profits \$

A-81

NOTES AND INSTRUCTIONS

Line 8 _____ For each class of shares indicate whether common shares, preferred, etc. and give further details as necessary. For partnerships show each class of partner (general, limited, etc.).

Lines 11 and 12 ___ Direct charges or credits to retained earnings are to be restricted to capital transactions (eg. dividends, premium on share redemptions, etc.) and prior period adjustments. All income items of an extraordinary or unusual nature (eg. profits or losses on sale of fixed assets or stock exchange seats, etc.) are to be included in Schedule 19 in arriving at net income or loss for the period. The latter amount is to be transferred in total to retained earnings (line 11(a) or 12(a)).

The adjustment of inventory to market value must also be included in Schedule 19.

PART II

SCHEDULE

FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

.....
(Date)

CHANGES IN RESERVES AND SUBORDINATED LOANS

A. Reserves

- 1. Balance at beginning of period \$
- 2. Changes during the period (describe)
- 3. Balance at current date

A-82

*Directors,
Officers,*

B. Subordinated Loans	<u>Shareholders/ Partners and Employees</u>	<u>Others</u>
4. Balance at last year-end	\$	\$
5. Increases during period		
– give name of lenders .....		.....
(a) .....		.....
(b) .....		.....
(c) .....		.....
(d) .....		.....
(e) .....		.....
6.	<u>.....</u>	<u>.....</u>
7. ....	.....	.....
8. Decreases during period		
– give name of lender .....		.....
(a) .....		.....
(b) .....		.....
(c) .....		.....
(d) .....		.....
(e) .....		.....
(f) .....		.....
9. ....	.....	\$ .....
10. Present subordinated loans	\$ <u>.....</u>	\$ <u>.....</u>
	A-78	A-77

Notes:

Reserves

The nature of reserves should be described and should only include appropriations of retained earnings. In particular, allowances for bad debts must not be shown here.

Subordinated Loans

At the annual audit date only, attach a schedule (13A) showing amount and the name of the lender for each loan outstanding. Subordinated debentures issued under a trust debenture should be disclosed in total only.

SASKATCHEWAN SECURITIES COMMISSION
PART II
FINANCIAL QUESTIONNAIRE AND REPORT

.....
(Firm Name)

.....
(Date)

FUTURE PURCHASE AND SALES COMMITMENTS

(This schedule is **not** to be used if the firm has recorded all such commitments in its accounts)

A. Computation of margin requirements in respect of future purchase and sales commitments

1. Total future purchase commitments outstanding at the date of the financial statements

Deduct:

2. Purchase commitments that are covered by sales commitments related thereto

3. Purchase commitments that will reduce bonds and stocks sold short by the firm

4. Purchase commitments that are not covered by sales commitments or by bonds and stocks sold short by firm (give details — Schedule 14B)

5. Amount required to fully margin item 4 (see note) \$

6. Total future sales commitments outstanding at the date of the financial statements

Deduct:

7. Sales commitments that are covered by purchase commitments related thereto

- 8. Sales commitments that are covered by stocks or bonds owned by the firm (excluding Canadas and Provincials netted against short positions in inventory as provided by regulations) _____
- 9. Sales commitments that are not covered by purchase commitments or by bonds or stocks owned by the firm (give detail – Schedule 14B) _____
- 10. Amount required to fully margin item 9 (see note) _____
- 11. Total margin required _____

B-16

SCHEDU

Page 2 of 2

*SASKATCHEWAN SECURITIES COMMISSION
PART II
FINANCIAL QUESTIONNAIRE AND REPORT*

.....
(Firm Name)

.....
(Date)

*FUTURE PURCHASE AND SALES COMMITMENTS
(continued)*

B. Computation of the effect of future purchase commitments on adjusted liabilities

- 12. Total future purchase commitments (agree with item 1 above) \$
- 13. Less purchase commitments that are covered by sales commitments with financial institutions _____
- Sub-Total _____

Deductions permitted in respect of items *remaining* in sub-total:

14. Commitments in securities having a margin rate of 5% of less and receivables (not previously deducted) from syndicate members (see note)	.....
15. Total to be included in adjusted liabilities	\$ _____
	C-2
C. 16. Net loss, if any, on items 7 and 8 (see note)	\$ _____
	B-3

NOTES AND INSTRUCTIONS

Firms reporting on a value (settlement) date basis –

Future purchase and sales commitments must be recorded on this schedule.

Outstanding security transactions, not yet due for settlement, made for regular settlement in the normal course of business should be excluded from Part I. Statement A and from this schedule.

Firms reporting on a trade (transaction) date basis –

All purchase and sales commitments must be recorded on Part I, Statement A except for sales with calls and new issues (if the latter have not been processed through the firms records).

Line 1 – Please supply full particulars of the issues, their dates and amounts involved or other pertinent information on Schedule 14A.

Lines 4, 5, 9 and 10 – The details shown on 14B should be the same as those required on Schedule 3 and in addition the commitment price and settlement date are required. Total margin required on lines 4 and 9 is:

- (a) margin calculated on the market values of the commitments, and
- (b) plus the loss or minus the profit based on the difference between the commitment price and the market price at the reporting date. Profits on one issue may be used to reduce requirements on another issue. Insignificant amounts may be shown in total only.

Line 14 – Receivables from members of the banking or selling groups to the extent that they represent the initial draw down of a new issue of securities (not after market trading) may be deducted from the liability to the issuing company which is recorded in the books of the managing underwriter.

Line 16 – The net loss for line 8 items should be reduced by margin provided on the related long positions in inventory.

Supplementary instructions for reporting money market commitments

“Market Price” for money market commitments (fixed-term repurchases, calls, etc.) shall be calculated as follows:

(a) Fixed date repurchases (no borrower call feature) – the *market price* is the price determined by applying the *current yield* for the security to the term of maturity from the repurchase date. This will permit calculation of any *profit or loss* based on the market conditions at the reporting date. Exposure due to future changes in market conditions is covered by the margin rate.

(b) Open repurchases (no borrower call feature) – prices are to be determined as of the reporting date or the date the commitment first becomes open, whichever is the later. *Market price* is to be determined as in (a) and *commitment price* is to be determined in the same manner using the yield stated in the repurchase commitment.

(c) Repurchase with borrower call features – the *market price* is the borrower call price. No margin is required where the total consideration for which the holder can put the security back to the dealer is less than the total consideration for which the dealer may put the security back to the issuer. However, where a holder consideration exceeds dealer consideration (the dealer has a loss) the margin required is the lesser of:

- (1) the prescribed rate appropriate to the term of the security, and
- (2) the spread between holder consideration and dealer consideration (the loss) based on the call features subject to a minimum of 1/4 of 1% margin. Such commitments shall be reported in the manner set out under lines 4, 5, 9 and 10 above and shall include details of dealer and borrower calls.

SCHEDULE

SASKATCHEWAN SECURITIES COMMISSION

PART II

FINANCIAL QUESTIONNAIRE AND REPORT

.....

(Firm Name)

.....

(Date)

CONTINGENT LIABILITIES AND COMMITMENTS

Description

Amount

NOTES AND INSTRUCTIONS

1. Include *only* items not recorded on Statement A.
2. Where contingent liabilities require margin, details supporting schedules must be presented and the amount required to margin included in Statement B, line 17.
3. Insignificant contingent liabilities need not be described unless in total they are significant in amount. In this case the total amount should be shown as “miscellaneous”.
4. In the event that a dollar amount cannot be determined, describe the item in detail giving reasons for the inability to assign a dollar value.
5. Examples of contingent liabilities are:
 - Unfunded pension liabilities
 - Leases
 - Guarantees or endorsements
 - Endorsement of puts and calls
 - Discounted notes
 - Legal actions pending
 - Pending income tax claims and assessments
 - Returned drafts
 - Underwriting commitments
 - Sales with call features
6. Contingent liabilities must be included up to the date of filing this report.

SCHEDU

SASKATCHEWAN SECURITIES COMMISSION

PART II

FINANCIAL QUESTIONNAIRE AND REPORT

(To be completed at audit date only)

.....
(Firm Name)

.....
(Date)

DETAILS OF TEN LARGEST SECURITY CLIENTS

(Excluding free credits, defined financial institutions, brokers and dealers, partners and shareholders, affiliated companies an buy-backs and sell-backs not yet due for settlement)

The following information should be provided for each client:

1. Client name (or account number)
2. Account classification (as per Schedule 4)

3. List of securities and money balance in the account in the following columns:

<i>Name and Description of Security</i>	<i>Money Balance</i>	<i>No. of Shares Par Value Long or (Short)</i>	<i>Market Price</i>	<i>Market Value</i>	<i>Margin Required</i>	<i>Settlement Date of Outstanding Transactions (Cash Accounts only)</i>
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NOTES AND INSTRUCTIONS

1. Where a guarantee is used to reduce the margin required, the guarantor's account(s) must be merged for the purpose of producing this schedule. Also each client's position must represent the aggregate of all his accounts.
2. As an alternative to listing all items, copies of clients' statements and/or status slips may be filed provided they contain all the information required in this schedule. Totals on the schedule must agree with the attachments.
3. Securities with no loan value may be omitted.
4. Securities used for margin purposes (including safekeeping and segregation) must be fully negotiable. Safekeeping and segregated securities must be so identified.
5. Settlement means the settlement date shown on the *trade confirmation*.

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SASKATCHEWAN SECURITIES COMMISSION

PART II

FINANCIAL QUESTIONNAIRE AND REPORT

(To be completed at audit date only)

.....
(Firm Name)

.....
(Date)

TEN SECURITIES WITH THE LARGEST AGGREGATE LONG OR SHORT MARKET VALUE

(Excluding securities held segregated or in safekeeping and securities with a margin rate of 10% or less)

(Number of shares or par value — long or (short))

<i>Name of Security</i>	<i>Clients (Excluding Financial Institutions)</i>	<i>Partners/ Shareholders</i>	<i>Firm's Own</i>	<i>Total</i>	<i>Unit Price</i>	<i>Market Value</i>	<i>Loan Value</i>
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NOTES AND INSTRUCTIONS

1. Segregated securities, to the extent they are used for margining accounts, must be included in these calculations.
2. Where distortions would result from including in the ten largest securities amounts which represent significant holdings in excess of amounts required to margin clients' or partners'/shareholders' accounts, then such items should be excluded from this schedule.

SCHEDU

.....
(Name of Registrant)

SUMMARY OF OPEN COMMODITY FUTURES CONTRACTS (1)

(A) CUSTOMER'S CONTRACTS

(B) FIRM PARTNERS, SHAREHOLDERS, DIRECTORS AND EMPLOYEES

.....
(Date)

<i>Market</i>	<i>Commodity</i>	<i>No. of Contracts Long Short</i>	<i>Less Exempted Contracts and Dealers's Covering Contracts Long Short</i>	<i>Adjusted No. of Contracts Long Short</i>	<i>Settlement Price</i>	<i>Market Value of Total Long and Total Short for each Commodity Long Short</i>

TOTAL MARKET VALUE	\$	\$	
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Instructions

1. A separate schedule must be prepared for each of category A and B. Cross out A or B whichever is not applicable.

SCHEDU

SASKATCHEWAN SECURITIES COMMISSION

PART II

FINANCIAL QUESTIONNAIRE AND REPORT
(To be completed at audit date only)

.....
(Firm Name)

SUMMARY STATEMENT OF INCOME FOR THE
MONTHS ENDED.....

(With comparative figures for the..... ended))

	Current Period	Comparable Previous Period (if available)
1. <i>Revenue</i> —		
(a) Commissions:		
Securities	\$	\$
Commodities
(b) Principal business
(c) New Issues
(d) Money market
(e) Net interest
(f) Other	<u>.....</u>	<u>.....</u>
2. Total Revenue	\$ <u>.....</u>	\$ <u>.....</u>
3. <i>Expenses</i> —		
(a) Commissions to Employees	\$	\$
(b) Employee salaries and bonuses
(c) Occupancy and equipment rental
(d) Interest
(e) Communications
(f) Bad debts
(g) Other	<u>.....</u>	<u>.....</u>
4. Total expenses	\$ <u>.....</u>	\$ <u>.....</u>
5. Income (Loss) before income taxes (line 2, minus line 4)
6. Income taxes (see note) _____
7. Income (Loss) before extraordinary Items

8. Extraordinary items (net of income tax) (see note)	.....	.....
11. Net income (loss) for period	\$	\$
	S-12 - 11 or 12	

(See notes and instructions on reverse)

NOTES AND INSTRUCTIONS

The period covered in the current year should be from the previous year-end. The comparative figures should be for the comparable period in the previous year where these are available.

A comparative statement of income prepared in accordance with generally accepted accounting principles and containing at least the information shown in the pre-printed Schedule 19 may be substituted. This statement should be affixed to the schedule provided.

It is recommended that the components of the revenue and expense classification on this Schedule may vary between firms. However, it is important that each firm be consistent between periods except where approved by the appropriate authority. Fair presentation may require the separate disclosure of additional large and/or unusual items by way of a note to this Schedule.

Line 1 (a) Net revenue from commissions for the period on securities and commodity

futures (including options), before commission to registered representatives.

- (b) Revenue on all stock (including pro trading and net arbitrage revenue) and bond trading activity including adjustment of inventories to market value but excluding money market and new issue profits.
- (c) Revenue on new issue business when trading on an "if, as and when" basis, including the banking group and selling group spreads, and including adjustment of inventories to market value. Other items to be included are commissions on all savings bonds, net of sub agents' commissions, corporate fees, private placement fees, etc.
- (d) Revenue on all money market and commercial paper activities net after all interest charged, but including adjustment of inventories to market value.
- (e) Net interest revenue or expense excluding interest on internal subordinated debt.
- (f) All other revenue.

- Line 6 All income taxes including notional income tax at 33 1/3% on partnerships profits. Where the total income taxes on line 6 are materially different from the reported profit on line 5 multiplied by the current year's tax rate, an explanation of the difference should be provided.
- Line 8 Extraordinary items should include only gains, losses and provisions for losses which, by their nature, are not typical of the normal business activities of the firm, and are not expected to occur regularly over a period of years. Examples are profits or losses on the sale of fixed assets, stock exchange seats or other non-active assets, profits or losses resulting from closing operations, etc. A list of items should be provided.