

SCHEDULE "II"

IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. s-42.2

AND

IN THE MATTER OF
YORKTON SECURITIES INC.

AGREEMENT AND UNDERTAKING

The following Agreement and Undertaking (the "Agreement") has been reached between Yorkton Securities Inc. ("Yorkton") and the Director of the Saskatchewan Securities Commission (the "Director").

Facts

As a basis for an Order attached hereto as Schedule "A" to this Agreement, Yorkton acknowledges and agrees as follows:

1. During the years from 1989 through 1991, Yorkton engaged in trading in securities with or on behalf of approximately 200 Saskatchewan residents and earned gross commissions of approximately \$120,000.00;
2. The trades referred to in paragraph 1 above were carried out by approximately 86 salespersons in the employ of Yorkton in Yorkton's offices in Ontario, Alberta and British Columbia;
3. At all material times, Yorkton was not registered as a dealer or an adviser as required pursuant to section 27 of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act") to trade in securities or act as an adviser;
4. At all material times, none of Yorkton's salespersons, partners or officers, were registered as required pursuant to section 27 of the Act to trade in securities or act as an adviser;

5. Yorkton, in carrying out the trades referred to in paragraph 1, was aware that it was in breach of the provisions of section 27 of the Act which required registration to trade in securities or act as an adviser and section 26 of The Securities Regulations, R.R.S., c. S-42.2 Reg 1 which required new accounts to be approved by a partner or director and trades to be supervised by a partner or director;

Yorkton's Undertakings

Yorkton hereby undertakes, agrees and consents, effective the date of its execution of this Agreement, as follows:

1. To cease executing trades for, or on behalf of, Saskatchewan residents, except as provided for in Schedule "A", until Yorkton and its salesperson, partners and officers are registered as a dealer and salespersons, partners or officers respectively, in accordance with section 27 of the Act;
2. To establish internal compliance procedures to ensure that none of its salespersons, partners nor officers trade in securities with, or on behalf of, Saskatchewan residents, except as provided for in Schedule "A", unless Yorkton and its salespersons, partners and officers are registered as a dealer and salespersons, partners or officers respectively, in accordance with section 27 of the Act;
3. To cease giving advise to Saskatchewan residents, except as provided for in Schedule "A", until Yorkton and its salesperson, partners and officers are registered as advisers in accordance with section 27 of the Act;
4. To establish internal compliance procedures to ensure that none of its salesperson, partners nor officers give advise to Saskatchewan residents, except as provided for in Schedule "A", unless Yorkton and its salespersons, partners and officers are registered as advisers in accordance with section 27 of the Act;
5. To the issuance of an Order of the Saskatchewan Securities Commission (the "Commission") in substantially the form of Schedule "A" attached;
6. That the Agreement is being entered into by the Director on the basis that:
 - a. This Agreement is conditional upon and subject to approval by the Commission;
 - b. The Director agrees that the resolution of the matters herein is an appropriate regulatory response to Yorkton's breaches of the Act and that the Director will recommend to the Commission that the Agreement should be approved and that an Order should issue in the form of Schedule "A" hereto;

7. If for any reason whatsoever this Agreement is not approved, the Director will be entitled to take proceedings against Yorkton under the Act notwithstanding this Agreement. In such a case, the undertakings and agreements made and consents given by Yorkton in this Agreement shall not be used by the Director against Yorkton in the proceedings or in any other proceedings related thereto. If this occurs, Yorkton waives any and all objections or challenges, based upon any assertion or actual, apprehended or apparent bias, unfairness, or breach of natural justice, which it might otherwise have asserted by reason of publication of this Agreement, in relation to any subsequent proceedings herein;
8. If this Agreement is approved, Yorkton hereby waives any right to a hearing before the Commission or to challenge the resulting order and decision of the Commission by way of appeal, application for judicial review, or otherwise and acknowledges that:
 - a. It is signing this Agreement voluntarily;
 - b. It has received or has had an opportunity to receive independent legal advice; and
 - c. It fully understands the content and effect of this Agreement;

Director's Agreement

The Director hereby agrees that this Agreement and the Order set out in Schedule "A" are the only sanctions the Director will seek to have the Commission impose upon Yorkton pursuant to the Act with respect to the matters set out in this Agreement, provided however that nothing herein shall prohibit the Director from considering and dealing with any matter not set out in this Agreement or any new complaint brought to the Director's attention in respect of Yorkton.

IN WITNESS WHEREOF Yorkton Securities Inc. has hereunto affixed its corporate seal attested by the hands of its duly authorized offices this 10th day of ~~July~~, SEPTEMBER 1993.

Yorkton Securities Inc.

Per _____ (unknown signature)

Per "Audrey Katz"

(Corporate Seal)

The foregoing is agreed to in accordance with the terms stipulated this 14th day of September, 1993.

SIGNED, SEALED AND DELIVERED
in the presence of:

"Vic Pankratz"

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"Barbara L. Shourounis"
Barbara L. Shourounis
Director

SCHEDULE "A"

IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2

AND

IN THE MATTER OF
YORKTON SECURITIES INC.

ORDER
(Sections 134 and 135)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from the staff of the Commission for an Order pursuant to:

1. Subsection 134(1) of The Securities Act, 1988, S.S. 1988, c. S-42.2 (the "Act") that:
 - a. Yorkton Securities Inc. ("Yorkton") shall cease trading in securities or giving advise as to securities in the Province of Saskatchewan, or with or to any person resident in the Province of Saskatchewan, until Yorkton is registered as a dealer and adviser in accordance with section 27 of the Act, provided that this Order does not prohibit Yorkton from trading in securities with or from giving advice as to securities to the institutions listed in the attached Schedule "I", provided that such trades are exempt from the section 27 registration and section 58 prospectus requirements pursuant to the statutory exemption provisions of the Act; and
 - b. All salespersons, partners and officers of Yorkton acting on behalf of Yorkton shall cease trading in securities or giving advise as to securities in the Province of Saskatchewan, or with or to any person resident in the Province of Saskatchewan, until Yorkton and its salespersons, partners and officers are registered as a dealer and adviser and salesperson and advisers respectively, in accordance with section 27 of the Act, provided that this order does not prohibit all salespersons, partners, and officers of Yorkton from trading in securities with or from giving advice as to securities to the institutions listed in the attached Schedule "I", provided that such trades are exempt from the section 27 registration and section 58 prospectus requirements pursuant to the statutory exemption provisions of the Act;

2. Subsection 135(1) of the Act that the exemptions contained in:
 - a. Sections 38, 39, 81, 82 and 102 of the Act;
 - b. The Securities Regulations, R.R.S., c. S-42.2 Reg 1 (the "Regulations") providing for exemptions from sections 27, 58 and 71 of the Act; and
 - c. Any decision providing for exemptions from sections 27, 58, 71 or 104 to 109 of the Act;

do not apply to Yorkton and all salespersons, partners and officers of Yorkton acting on behalf of Yorkton until Yorkton and its salespersons, partners and officers are registered in accordance with section 27 of the Act, with the exception of trading in securities with or giving advice as to securities to the institutions listed in the attached Schedule "I";

AND WHEREAS Yorkton and the Director of the Commission (the "Director") have entered into an Agreement dated September 10th, 1993, the original of which is attached as Schedule "II" to this Order (the "Agreement");

AND WHEREAS the Director has recommended that this matter be resolved in relation to Yorkton in accordance with the terms of the Agreement;

AND WHEREAS Yorkton has consented to the issuance of this Order and has waived any right to a hearing;

AND WHEREAS the Commission is of the opinion, provided that Yorkton shall comply with the terms of the Agreement, that the Agreement and the Order proposed therein are in the public interest;

THE COMMISSION THEREFORE ORDERS THAT:

1. Pursuant to subsection 134(1) of the Act that Yorkton and all salespersons, partners and officers of Yorkton acting on behalf of Yorkton shall cease trading in securities or giving advice as to securities in Saskatchewan, or with or to any person or company resident in Saskatchewan, until Yorkton and or its salespersons, partners and officers are registered in accordance with section 27 of the Act, provided that this Order does not prohibit Yorkton and all salespersons, partners and officers of Yorkton from trading in securities with or from giving advise as to securities to the institutions listed in the attached Schedule "I", provided that such trades are exempt from the section 27 registration and section 58 prospectus requirements pursuant to the statutory exemption provisions of the Act;
2. Pursuant to section 135(1) of the Act that the exemptions contained in:
 - a. Sections 38, 39, 81, 82 and 102 of the Act;
 - b. The Regulations providing for exemptions from sections 27, 58 and 71 of the Act; and
 - c. And decision providing for exemptions from sections 27, 58, 71 or 104 to 109 of the Act;

do not apply to Yorkton and all salespersons, partners and officers of Yorkton acting on behalf of Yorkton until Yorkton and its salespersons, partners and officers are registered in accordance with section 27 of the Act, with the exception of trading in securities with or giving advice as to securities to institutions listed in the attached Schedule "I";
3. The Agreement is hereby approved and it shall be filed with the Commission; and
4. Yorkton shall comply with the terms of the Agreement.

DATED at the City of Regina, in the Province of Saskatchewan, this 8th day of October, 1993.

"Marcel de la Gorgendière"
 Marcel de la Gorgendière, Q.C.
 Chairman

To: Yorkton Securities Inc.

LIST OF EXEMPT INSTITUTIONS

INSURANCE COMPANIES

Assurance– Vie Desjardins	Industrial Life Insurance Company
The Canada Life Assurance Company	La Laurentienne Co. d'Assurance sur la Vie
Canadian Foresters Life Insurance Company	London Life Insurance Company
Canadian Indemnity Company	Manuvest
Canadian Reinsurance Company Limited	Monarch Life Assurance Company
Commercial Union Assurance Company	MONY Life Insurance Co. of Canada
Confederation Life Insurance Company	The Mortgage Insurance Company of Canada
Co-operators Insurance	The Mutual Life Assurance Company of Canada
Crown Life Insurance Company	The National Life Assurance Company of Canada
Crownx	North American Life Assurance Company of Canada
Economical Mutual	The Northern Life Assurance Company of Canada
Elite Insurance	Phoenix Assurance Co. of Canada
The Equitable Life Insurance Company of Canada	Pilot Insurance
The Excelsior Life Insurance Company	Prudential Assurance Company Limited
Gerling Global Life Insurance	Royal Insurance Company of Canada
General Accident ("Pilot")	Scottish & York Insurance Company
The Great-West Life Assurance Company	Seaboard Life Insurance
Guarantee Company of North America	The Sovereign Life Assurance Co. of Canada
Guardian Royal Exchange Group	The Standard Life Assurance Company
Heritage Life Assurance	Sun Life Assurance Company of Canada
The Imperial Life Assurance Company of Canada	Travellers Insurance
Independent Insurance Management Group	Wellington Insurance Company
The Independent Order of Foresters	Zurich Life Insurance Company

Actna Life Insurance	Mercantile & General Reinsurance Company
Allstate Insurance Company	Metropolitan Life Insurance Company
Le Groupe Commerce	Mutual Life Insurance Company of New York
The Manufacturers Life Insurance Company	The Prudential Insurance Company of America
The Maritime Life Assurance Company	

BANKS*

Bank of Montreal	Laurentian Bank of Canada
The Bank of Nova Scotia	National Bank of Canada
Canadian Imperial Bank of Commerce	Royal Bank of Canada
Hong Kong Bank of Canada	The Toronto-Dominion Bank

*Including the pension funds of such banks

TRUST AND LOAN COMPANIES

The Canada Trust Company
Central Guaranty Trust
Fiducie Desjardins
Fiducie Pret et Revenu
First City Trust Company
Guaranty Trust Company of Canada
Metropolitan Trust Co.

Montreal Trust Company
The National Trust Company
Royal Trustco Limited
Societe Nationale de Fiducie
Standard Trust Company
Trust General du Canada

OTHERS

ABR Police P.F.
A.G.F. Management
A.M.I. Partners
Air Canada P.F.
Alberta Government Telephone
Alberta Treasury
Alcan P.F.
All Canadian Funds
Allpak Products Limited
Altamira Management Limited
Angio American Corporation of Canada Limited
Ammercosa Investments Limited
Bank of Canada Pension Fund
Barclay McConnell
Beutel Goodman & Company Limited
Bimcor
Boltan Tremblay Inc.
Brascan
Burns Fry Investment Management
CBC Pension Fund
CN Pension Fund
CP Ltd.
Caisse de Depot et Placements du Quebec
Calvin Bullock
Canada Packers Pension Fund
Canagex Associates
Canadian Co-operative Credit Society
Canadian General Electric
Canadian General Investments
Canadian Indemnity
Canadian Investment Fund Limited
Canadian Pacific Limited
Canadian Reinsurance Company
Canadian Trusteed Income Fund
Cemp Investments
Central Capital Corporation
City of Calgary
City of Regina
Cominco Pension Fund
Commerce Capital Corporation
Connor Clark & Lunn

Credit Suisse (Canada) Ltd.
Creff
Domur Pension Fund
Dupont of Canada Pension Fund
Dustan Wachell Institutional Capital Management
Eaton-Bay Trust Company
Edper Investments Limited
Elliot & Page Limited
E-L Financial Corporation
Fidelity
Fiscal Consultants (Canada) Limited
Foyston Gordon & Payne
GE Canada Pension
Gentrust
Gestion Placements Desjardins
Gestion Sodapop Inc.
Global Strategy
Gluskin Sheff & Associates Inc.
Goodman & Co.
Groupe Placements D'Enterprises
Gryphon
Guardian
Guardian Capital
Hees International
C.F.G. Heward Investment Management Limited
Hodgson, Robertson, Laing & Company Limited
Hudson's Bay Pension Fund
Imperial Oil Pension Fund
Insmore Holdings Limited
The Investors Group
Jarislowsky Fraser & Company Limited
Jones Howard
Knight Bain Seath & Holbrook
Laketon Investment Management
Lancaster Financial
Lank Robertson McCaulay
Leith Wheeler Investment Counsel
Lever Brothers Limited
Lincluden Management Limited
Lonvest Corporation
M.P.G.

M.T.A.
MacKenzie Financial Services
Marquest Investment Counsel
Martin Lucas & Seagram Limited
McLean Budden Limited
Montreal Investment Management
Montrusco Associates
Noranda Mines Pension Fund
Ontario Co-op
Ontario Credit Union League
Ontario Hospital Association
Ontario Hydro Pension Fund
Ontario Municipal Employees Retirement System
Ontario Teachers
PCS Management
Pembroke Management Limited
Phillips, Hagar & North Limited
Polar Capital
Proctor & Gamble Inc.
Province of Alberta
Province of Manitoba
Province of Saskatchewan
Quebec Hydro P.F.
Realcap Holdings Limited
Reitman's
Reserve Funds Management Limited

River Road
Robertson & Associates
Royal Bank Investment Management
S.N.F. Placements
S.T.C.U.M. Pension Fund
Sagit Management
Sceptre Investment Counsel Limited
J. R. Senecal
Sheard Coulter
Shell Canada Pension Fund
Stephens Management Inc.
Swiss Corporation for Canadian Investment
T.A.L. Investments
Trilon Financial Corporation
Trimark Investment Management Inc.
F.W. Thompson Co. Limited
Metropolitan Toronto Pension Fund
United Church of Canada
United Corporations Limited
United Funds Management Corporation
University of Toronto
Walker Wood Limited
George Weston Pension Fund
M.K. Wong & Associates
Wood Gundy Investment Management
Worker's Compensation Board of Ontario

May 17, 1993