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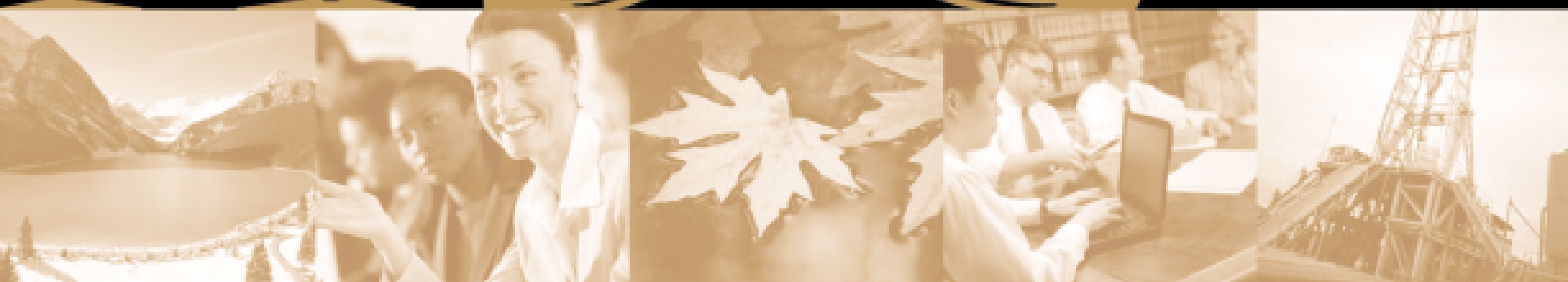
ALBERTA·SECURITIES·COMMISSION



ANNUAL REPORT 2001

2001

table of contents

TABLE OF CONTENTS

abbreviations

ABBREVIATIONS

BCSC ......British Columbia Securities Commission
CDNX ....Canadian Venture Exchange Inc.
CICA ..Canadian Institute of Chartered Accountants
CSA ....Canadian Securities Administrators
CSRS ....Canadian Securities Regulatory System
CVMQ ....Commission des valuers mobiliéres
EIC ....Emerging Issues Committee
IDA .....Investment Dealers Association of Canada
MFDA ..Mutual Fund Dealers Association of Canada
MRRS ....Mutual Reliance Review System
OSC ....Ontario Securities Commission
SEDAR ....System for Electronic Document Analysis and Retrieval
SRO ....Self-Regulatory Organization
NASAA ....North American Securities Administrators Association

MESSAGE FROM THE CHAIR

Stephen P. Sibold, Q.C. - Chair and Chief Executive Officer

When I was appointed Chair of the Alberta Securities Commission in May 2000, I was delighted to become involved with an organization known for its professional and practical regulation of one of Canada's most dynamic and expanding capital markets. Admittedly, though, I knew it would be a challenge to maintain and build on the ASC's reputation.

Strategic Principles

The Commission devoted considerable effort this year to developing a set of strategic principles to guide us toward meeting this challenge. These principles are the ASC's priorities. They are:

1. To increase confidence in the integrity of Alberta's capital markets through
   - timely and relevant education programs
   - proactive and effective compliance programs
   - effective and visible enforcement activities, and
   - development of local policy initiatives;
2. To be an effective advocate for issues of importance to the Alberta capital markets locally, nationally and internationally;
3. To be and be acknowledged by all stakeholders as a highly professional, efficient, effective and responsive securities regulator and, accordingly, be recognized as a leader within the CSA;
4. To be and be recognized as an attractive employer based on quality of work, training, remuneration and potential for career development;
5. To actively promote and assist the development of an efficient and cost-effective national system of securities regulation; and
6. To explore and pursue with other regulatory bodies opportunities for cooperation and coordination of activities so as to minimize the duplication of resources in those areas of regulation where there is a mutual interest.

Although these strategic principles are still quite new to our Members and Staff, they nonetheless provided a solid framework for our many accomplishments this year. Let me highlight a few:

Oil & Gas Taskforce

The Oil & Gas Securities Taskforce is a prime example of the ASC's commitment to issues of importance to Alberta's capital markets. We established the Taskforce in 1999 and through it, we are leading the world in establishing new disclosure standards for the oil & gas industry. During the past year the Taskforce completed its work and issued its recommendations. We are now reviewing the recommendations and turning them into a national instrument that will, when implemented, give them the force of law. We are confident that we and our colleagues in the CSA will be able to publish a draft national instrument for comment in the fall of 2001.

Exchange Restructuring and Oversight of the Canadian Venture Exchange

Together with the BCSC, the ASC is responsible for regulating CDNX. The past year was very eventful. CDNX was involved in two significant transactions relating to the restructuring of Canada's stock exchange initiative and was also very active in developing its own policies and regulations.

With the announcement at the end of March of the Toronto Stock Exchange's proposed acquisition of CDNX, the current year promises to be equally eventful. Under the terms of the agreement, the CDNX and the TSE will have a common board of directors but will maintain their distinct respective focuses on the public venture and senior markets. The ASC and the BCSC will be reviewing the terms of the acquisition closely in the coming months to ensure that it is in the public interest.

Education

We are committed to creating a "two way street" of communication between industry participants and the ASC. Over the past year, we made significant progress on this front. We opened our two day "Listen to the Experts" conference to the industry. We held two half day seminars at no charge to give our industry a quick but comprehensive briefing on developments in topics of importance to them. In November, we provided an overview of the new short and long form prospectus rules. In March, we hosted a forum to discuss the recommendations of the Oil and Gas Securities Taskforce. We received very positive feedback on both seminars. We will continue to host and cover the costs of seminars on topics of importance to the industry.

We are in the process of developing a comprehensive plan for investor education. To this end, we have recently hired an Education Coordinator. Our Members and Staff spoke frequently at seminars hosted by the Investor Learning Centre and traveled to communities throughout Alberta to give presentations during Investor Education Week. We are continually enhancing our website. We also participated actively in national investor education initiatives.

The ASC and the CSA

Our ability to focus our resources on issues that are important to Alberta is due in no small part to our involvement in the Canadian Securities Administrators, which is the organization under which Canada's thirteen securities regulators cooperate. Just as the ASC has developed expertise in certain areas as required by the structure of our capital markets, so too have our colleagues across Canada. We are committed to fostering an effective and efficient CSA and working towards a national system of securities regulation. We believe that embracing the principles of mutual reliance is key to achieving this goal.

Internal Reorganization

We have made some changes recently that will position us to meet our goals. In November, we reorganized the administrative functions of the ASC and formed a new Department of Administrative Services. We appointed Bonny Beswick the Director of that department. We also named Wayne Alford the Director of Enforcement. Although both of these appointments happened early in the current fiscal year, they warrant mention here because Bonny and Wayne will play a significant role in putting our strategic principles into effect in the coming years. We also separated the Office of the Chief Accountant from the Capital Markets Division and welcomed Fred Snell as our Chief Accountant. Fred comes to us with many years of experience in public accounting practice and we are very pleased to have him with us. Fred takes over from Henry Lawrie, who retired as Chief Accountant in February. I wish to thank Henry for his contributions to the Commission over the past four years, particularly in his capacity as chair of the Oil and Gas Securities Taskforce.

Our accomplishments are the result of the efforts of both Members and Staff. I wish to thank the Commission Members for their dedication and support of ASC's objectives. In particular, I wish to thank retiring Members of the Board, Thomas D. Pinder and Thomas D. Shields, who have been an important part of the ASC direction since 1995. I have been consistently impressed with the diligence, competence and enthusiasm of our Staff and I know that our industry participants and CSA colleagues have been as well.

It has been a privilege to be involved with the ASC over the past year. I am looking forward to continuing our tradition of providing professional, responsive and relevant securities regulation for Alberta’s capital markets.

Stephen P. Sibold, Q.C.

Chair and Chief Executive Officer

O V E R V I E W

Alberta Securities Commission

The Alberta Securities Commission is the industry funded provincial corporation responsible for maintaining the efficiency and integrity of the capital markets in Alberta through the administration of the Alberta Securities Act, the Securities Regulation and the Alberta Securities Commission Rules.

The Commission is an administrative tribunal with quasi-judicial powers. Panels of members hear enforcement proceedings and consider applications for discretionary exemptions from the requirements of the securities legislation. The Commission also sits as an appeal body to hear appeals from decisions of the Executive Director, CDNX, and the Alberta District Council of the IDA.

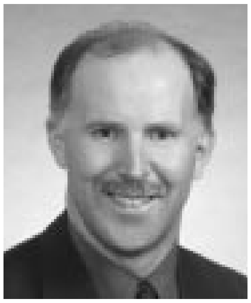
M E M B E R S

The Members of the Commission are appointed by the Lieutenant Governor in Council. There are currently nine Members, including the Chair and two full-time Vice-Chairs. All other Members are part-time.

In addition to their adjudicative functions, the Members act as the board of directors of the Commission. They are responsible for overseeing the management of the business and affairs of the Commission, including approval of the Commission's strategic plan, annual business plan, and operating budget. The Members meet regularly to determine policy, recommend changes to the *Securities Act* and Securities Regulation and to make rules.

The Chair also serves as the Chief Executive Officer of the Commission. The Chair is also appointed by the Lieutenant Governor in Council and reports to the Members and to the Minister of Revenue[1].

E X E C U T I V E   D I R E C T O R



DAVID C. LINDER

Executive Director

The Executive Director is the Chief Administrative Officer and reports to the Chair. The Executive Director is responsible for the following departments:

• *Capital Markets* is responsible for reviewing prospectuses and other offering documents; monitoring continuous disclosure filings; registering persons or companies that advise on or trade in securities or exchange contracts; conducting compliance reviews of registrants; and analyzing and making recommendations to the Executive Director on applications for exemptive relief from the requirements of securities legislation.

1 *A reorganization of the provincial ministries occurred on March 19th, 2001, which sees the Commission reporting responsibility transferred to the Minister of Revenue. The Commission previously reported to the Provincial Treasurer and the Minister of Finance respectively.*

• The *Office of the Chief Accountant* provides expert opinions to ASC staff and Commission members on accounting, auditing, valuation and financial matters. The Office provides assistance to reporting issuers and their advisers on the practical implementation of accounting and financial disclosure standards and other financial matters.

• *Legal Services and Policy Development* is responsible for formulating recommendations for policy development, rules and legislative change; analyzing and making recommendations to the Commission on applications for exemptive relief from the requirements of securities legislation; and providing a forum for resolution of contested or "hostile" take-over bids.

• *Enforcement* is responsible for investigating suspected violations of securities regulatory requirements; and commencing enforcement proceedings before the Commission and conducting prosecutions under the *Securities Act* in Provincial Court.

• *Administrative Services* provides the productivity tools and environment to enable staff to effectively fulfill the mission of the organization, and to provide communication of key messages to internal and external stakeholders, including Investor Education programs.

chief financial officer

CHIEF FINANCIAL OFFICER

RON SCZINSKI, CA

Chief Financial Officer

The Chief Financial Officer (CFO) reports to the Chair and is responsible for:

- maintaining and overseeing the accounting functions
- ensuring internal controls are effective in safeguarding Commission assets
- ongoing internal and external financial reporting
- liaising with external auditors and the audit committee
- developing and coordinating Commission budgets
- coordinating Commission inter-government business plans
- overseeing management of Commission investments

The finance area is primarily responsible for revenue accounting, purchasing, accounts payable, and payroll administration, as well as a number of other associated functions.

The Chief Financial Officer also develops and reviews plans to deal with the cash surplus. To support the initiatives of the Commission's business plan, it is anticipated that expenditures will exceed revenue over the next several years, utilizing a portion of the cash surplus. Please see Management's Discussion & Analysis for details.

CAPITAL MARKETS

KENNETH A. PARKER, CA

Director, Capital Markets

The Capital Markets department is comprised of two core groups:

- Securities Analysis
- Registration & Compliance

Securities Analysis

The Securities Analysis group is responsible for reviewing prospectus and continuous disclosure filings, including annual information forms (AIFs), interim and annual financial statements and material change reports. The Securities Analysis group also reviews and considers applications for exemptive relief that may be granted by the Executive Director.

Registration & Compliance

The Registration & Compliance group registers persons and companies that trade or advise in securities or exchange contracts. The Registration & Compliance group also performs compliance monitoring of registrants and self-regulatory organizations in Alberta.

The following are some of the initiatives of the Capital Markets department over the past fiscal year.

System for Electronic Data on Insiders (SEDI)

Trading by insiders, officers and directors of companies is considered valuable information to various market participants. In Alberta, insiders are required to submit trading reports to the Commission within 10 days after a trade has been made.

The CSA continued development work on the System for Electronic Data on Insiders (SEDI). Although the project experienced some delays, the CSA anticipates that SEDI will be operational by late 2001. This System will allow insiders of all Canadian reporting issuers to file their trade reports electronically with all securities regulators in a single step using the Internet, and will give the public access to the information via the Internet. This will give the market information about insider trading activities on a much more timely, accessible and comprehensive basis.

National Registration Database

The CSA are continuing the analysis and development of the National Registration Database (NRD) and anticipate that the system will be operational by the end of 2002. The NRD will allow companies and individuals to file applications for registration and renewal of registration, in most jurisdictions, electronically using the Internet. It will also allow companies and individuals to file updates and amendments to their registration information electronically. The NRD will permit investors to confirm the registration status of companies and individuals.

Registration Compliance Reviews

Commission staff continued to perform compliance reviews on mutual fund dealers, while investment dealers are already subject to financial and sales compliance audits by the Investment Dealers Association of Canada. In addition, staff have begun performing compliance reviews of portfolio managers registered with the Commission, and intend to expand the number of these reviews.

At the ASC's initiative, the CSA held its first Examiner Training Conference for staff in all jurisdictions who perform and are responsible for examinations ("audits") of mutual fund dealers and portfolio managers. This was an opportunity for staff to share ideas and experiences, including common problems identified in examinations and how they have been resolved. It was also an opportunity to coordinate the examination process of registrants that operate in more than one jurisdiction, which reduces compliance costs for the registrants and the securities commissions.

Prospectus Filings

The Commission received 744 preliminary prospectuses in the year, compared to 695 the previous year. Of these, 226 were filed by Alberta issuers compared to 238 in the previous year. Virtually all prospectuses filed in more than one jurisdiction are filed under the MRRS, in which only one regulator (the "principal regulator") reviews the filing and the filer deals only with the principal regulator. The other regulators rely on the work of the principal regulator. In most cases the principal regulator is the securities commission of the province in which the issuer's head office is located.

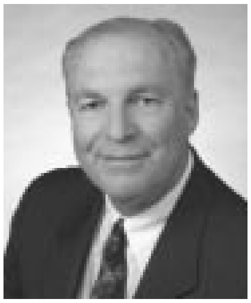
The CSA held its second MRRS Training Conference in November. All staff from all securities commissions who review prospectuses attended the Conference, which included sessions on the new prospectus rules, changes to the escrow regime and natural resource disclosure standard, CSA initiatives on continuous disclosure review, the integrated disclosure system and resale restrictions, and current take-over bid and accounting issues. The Conference strengthens the MRRS system by helping staff in different commissions achieve a common approach to matters and to ease the resolution of issues.

Continuous Disclosure

In conjunction with other regulatory initiatives, such as the Integrated Disclosure System and the National SHAIF System, the Commission is placing an increased emphasis on the review of issuers' continuous disclosure filings. These reviews have been performed on a limited selection of Alberta issuers' financial statements in previous years. The Securities Analysis group will be devoting its staff resources to increase the number of issuers subject to these reviews, and also to expanding the scope of information reviewed for each subject issuer.

chief accountant

OFFICE OF THE CHIEF ACCOUNTANT



FRED R.N. SNELL, FCA

Chief Accountant

*appointed February 20, 2001

The Office of the Chief Accountant provides expert opinions to staff and Commission Members on accounting, auditing, valuation and financial matters. The Chief Accountant's Office also provides assistance to issuers and their advisers on practical implementation of accounting and financial disclosure standards and other financial matters. The Office provides day-to-day support to the Securities Analysis group, the Enforcement department, Legal Services/Applications groups in reviewing hostile take-over bids and periodically to the Canadian Venture Exchange staff on technical issues of accounting and financial disclosure.

The following are some of the initiatives of the Chief Accountant's group over the past fiscal year.

Financial Statements - Secondment and Quality Review Program

The Commission administers a secondment program in which staff from public accounting firms work with the staff of the Office of the Chief Accountant in reviewing financial statements, continuous disclosure and offering documents.

This year, two of 48 companies reviewed had material financial statement deficiencies which required revisions. One of the two financial statements contained errors in accounting for the qualifying transaction under the CDNX Capital Pool Company (CPC) Program. The remaining errors were found in the financial statements of a small company.

In addition, a number of other companies had less serious weaknesses in their financial statements and have agreed to revise their disclosure in future filings.

The main concerns continued to be business combinations and related party and non-monetary transactions. Results of this review program are published in "Regulation Update" by the Institute of Chartered Accountants of Alberta (ICAA) and are available on their website at **www.icaa.ab.ca**. This information can also be found on the Commission's website.

Listen to the Experts Conference

Since 1998, the Office of the Chief Accountant has organized a two-day conference for Commission staff on current accounting and industry trends. In 2000, the conference was opened to industry personnel and professionals, in addition to staff from other regulatory organizations.

Pre-Filing Conferences / Meetings

Staff from the Office of the Chief Accountant provides guidance to reporting issuers and their legal and financial advisers on matters considered complex or novel areas of accounting, auditing, financial reporting and valuations. During the year a number of these conferences/meetings were held on topics such as pro forma financial statements needed in a take-over bid circular and financial statements of an acquired business to be included in a prospectus document. The Office also responds on a daily basis to numerous other queries from issuers and advisers.

CSA Committee Work

The Office of the Chief Accountant provides staff as members of various CSA policy committees. Participation in the Short and Long Form Prospectus Committee involved significant time and discussion in the past year. The Final Rule (NI 44-101 and OSC Rule 41-501) were adopted in late 2000. As part of our educational endeavors, a morning seminar was organized to present a summary of the new prospectus requirements to interested parties. Approximately 350 professional accountants, securities lawyers and business people attended and listened to six presenters, including three noted speakers who attended from out of town.

Open Forum

On March 19, 2001, the ASC through the efforts of the Office of the Chief Accountant, hosted a first ever "Exchange of Information" Forum on the ASC Oil and Gas Taskforce Report. Seven independent commentators and a panel comprised of six members of the Taskforce presented their views on the final report and fielded questions from the audience. Approximately 550 business and professional people from the oil patch in Calgary attended.

Presentations

The Office of the Chief Accountant makes a number of presentations each year to various groups, including industry and regulators. The Office also makes an annual presentation to the Practice Review Committee of the Institute of Chartered Accountants of Alberta, discussing the quality of financial reporting in Alberta based on a random review of public companies’ financial statements.

RAP Wednesday

Three informal sessions of RAP Wednesday were held during the fiscal year to discuss various securities regulation topics of interest to securities lawyers, corporate business analysts and public accountants. RAP Wednesday is an educational forum which was established by the Chief Accountant’s Office several years ago to assist professionals working in the securities area to meet with ASC staff and discuss problem areas, proper interpretation of new securities rules, policies and staff practices in particular areas.

Submissions to CICA

The Office of the Chief Accountant reviews draft materials submitted by CICA and other professional bodies and provides feedback as appropriate. During the year, comments were provided to the CICA 7100 Taskforce regarding comfort and consent letters. Additionally, staff provide feedback with respect to new initiatives to the EIC and CSA representatives who sit on CICA committees.

Oil & Gas Disclosure Initiative

The ASC recognizes that the Oil & Gas sector is of extreme importance to Alberta's economy, and that providing more and better information about oil and gas reserves will increase confidence in our market system.

To address this issue, the ASC established a knowledgeable and experienced group of industry professionals from a variety of sectors. This group was headed up by the former Chief Accountant, Henry Lawrie, who continues to provide advice. The twenty-seven member ASC Oil & Gas Securities Taskforce completed its work and issued its recommendations on January 24, 2001. Key recommendations include:

- Issuers to file annual public disclosure of reserves and related data;
- Reserves definition tightened using probability levels of 90%, 50% and 10% for proved, proved plus probable and proved plus probable plus possible reserves, respectively;
- Disclosure of proved reserves using constant prices and costs, proved and probable reserves using forecast prices and costs, and estimated future net revenues/cash flows for these reserves;
- Issuers responsible for reserves disclosure and approval by a reserves committee of the Board of Directors or by the full Board;
- Use of independent reserves evaluators and public disclosures of their opinion on reserves and related information;
- Annual independent evaluation of 75% of future net revenue and a review of balance with phase-in for large producers; and
- Greater clarity and consistency in various other areas.

The recommendations deal with annual disclosure and will require that interim disclosure be consistent with the annual disclosure. Details are to be developed for interim reporting.

The recommendations have been presented to approximately 1,100 interested persons, and are forming the basis of a new national instrument. The next step is to seek ASC approval of a draft national instrument, which will then be presented to the other CSA members for their consideration. Once each CSA member approves the draft national instrument, it will be published for comment over a 90-day comment period. Following consideration of the comments, the instrument, possibly in amended form, would then be presented to the various provincial securities regulators and governments for adoption as a new national instrument with application across Canada.

This initiative supports the Commission's strategic focus of addressing issues of importance to Alberta's capital markets on a national basis - leveraging local expertise to develop national guidelines.

Full details may be found on the ASC website **www.albertasecurities.com**. A brochure is available at the ASC offices.

LEGAL SERVICES & POLICY DEVELOPMENT

PATRICIA M. JOHNSTON

Director, Legal Services & Policy Development

Legal Services / Applications

The Legal Services area of the Commission analyzes and makes recommendations to the Commission regarding certain types of applications for exemptive relief under securities legislation. Applications may be filed for relief only in Alberta, or they may be filed under MRRS for exemptive relief applications (National Policy 12-201). Under MRRS, Canadian securities regulators cooperate in the review and processing of exemptive relief applications. The MRRS is designed to operate "seamlessly": the applicant prepares a single application for all jurisdictions involved, deals with one "principal" regulator and obtains a single decision document with one set of terms and conditions instead of dealing with each jurisdiction separately.

In November, 2000, several Legal Services staff attended the CSA's second MRRS Training Conference in Montreal that was described on page 9 of the report from Capital Markets. A key objective of the training session was to train staff who are responsible for reviewing MRRS applications to ensure consistency of decisions and procedures for all MRRS applications.

From April 1, 2000 to March 31, 2001, a total of 532 MRRS applications for exemptive relief from the requirements of the *Securities Act* were processed by the legal group. A total of 711 exemptive relief applications were processed by the legal group during the fiscal year as compared to 665 in 2000.

Policy Development

The Policy group advises the Commission on the development and application of rules, policies and other instruments and legislative amendments. The policy group also coordinates policy initiatives with other securities regulators. It is this group that is responsible for preparing concept proposals and draft instruments, presenting them to the Commission and considering and addressing any public comments received in response to requests for comments.

Some of the key initiatives of the Legal Services and Policy Development department during the period from April 1, 2000 to March 31, 2001 included:

Mutual Reliance System for Policy Development

In the fall of 2000, the Commission adopted procedures for the development of national and multilateral policies and instruments on a mutual reliance basis.

Under this procedure, one CSA jurisdiction will act as the "lead" jurisdiction for a policy initiative and assume responsibility for the drafting of the instrument. Other CSA jurisdictions will choose whether or not to participate in the initiative, depending upon their resources and the priority they assign to the initiative.

Testing of the mutual reliance approach to policy development commenced in 2000 on several "pilot" policy projects.

Approval of CDNX Acquisition of the Canadian Dealing Network Inc. (CDN) and the Winnipeg Stock Exchange (WSE)

During the fall of 2000, the Commission worked closely with the BCSC in the review and approval of the acquisition by CDNX of CDN and the WSE. Both acquisitions involved the application of revised listing requirements to issuers whose listings were transferred from CDN and the WSE to CDNX. The Commission provided blanket relief to phase in the application of the continuous disclosure requirements of Alberta and British Columbia to such issuers.

New Long and Short Form Prospectus Rules

Effective December 31, 2000, the Commission implemented NI 41-101 - *Prospectus Disclosure Requirements*, NI 44-101 - *Short Form Prospectus Distributions*, NI 44-102 - *Shelf Distributions* and NI 44-103 - *Post-Receipt Pricing*. These new instruments update the requirements for use of the optional short form and shelf prospectus distribution systems and post-receipt pricing, consolidating the requirements that previously appeared in a variety of national and local instruments.

Also effective December 31, 2001 the Commission implemented Rule 41-501 - *Use of Prospectuses Complying With OSC Requirements*. This instrument permits the use in Alberta of long form prospectuses prepared in accordance with new OSC Rule 41-501 - *General Prospectus Requirements*. Commission staff were involved in the preparation of the OSC rule, which will form the basis of a new national instrument. The local Alberta rule gives issuers added flexibility and facilitates national distributions by permitting issuers to use OSC Form 41-501F1 for long form prospectus distributions pending adoption in other CSA jurisdictions of a uniform long form prospectus form.

Oil & Gas Disclosure Reformulation

The CSA has agreed that the Commission will take the lead in developing new CSA-wide disclosure requirements for oil and gas issuers, in response to the recommendations of the Oil & Gas Taskforce report that was released in January 2001 (as noted in the Message from the Chair and the Oil & Gas Disclosure Initiative discussion at page 12). Policy Development staff are drafting the instrument that will give the Taskforce's recommendations the force of law. We anticipate publishing a draft instrument for comment later this fall.

Civil Liability for Continuous Disclosure

In September 2000, the Commission approved a report prepared by the CSA that recommends amendments to securities legislation to provide a statutory remedy to secondary market investors for losses attributable to misrepresentations in continuous disclosure materials (CSA Notice 53-302 - *Report on Proposal for Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change"* published November 3, 2000). The proposal was developed in response to recommendations in a 1997 report of a committee of the Toronto Stock Exchange (known as the "Allen Report"). The Commission also approved in principle amendments to the *Securities Act* that would give effect to the proposal. No legislative amendments will be made until necessary approvals are obtained in other jurisdictions. The timing of those approvals is uncertain.

National SHAIF System

On September 8, 2000 the Commission, along with other CSA members, published for comment proposed NI 45-102 - *Resale of Securities* and NI 72-101 - *Distributions Outside the Local Jurisdiction*. If adopted, these instruments will provide a national system that is similar in concept to the current local B.C. and Alberta Shorter Hold Periods with Annual Information Forms (SHAIF) rules. The current SHAIF system reduces resale restrictions for private placement securities to four months in certain situations.

Shareholder Communication

On August 31, 2000, the Commission, along with other CSA members, re-published for comment NI 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Once implemented, NI 54-101 will replace existing National Policy 41.

Securities Amendment Act, 2000

On June 15, 2000, Bill 10 (the *Securities Amendment Act*, 2000) and the consequential rule amendments arising from Bill 10 were proclaimed.

The primary focus of the amendments included an update and restructuring of Part 4 (exchanges and self-regulatory organizations) to address the loss of powers of CDNX through the merger process, the addition of a Personal Information Form requirement (ASC Form 4B), expanding the provisions relating to prohibited transactions and market manipulations and other administrative amendments.

Standards of Disclosure for Mineral Projects

In February 2001, the Commission, together with other CSA members, implemented National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, which mandates uniform, upgraded standards of disclosure by issuers in the mining sector.

NI 43-101 is intended to enhance the accuracy and integrity of public disclosure of scientific and technical information by issuers in the mining sector by requiring, among other things, that such disclosure be made by experienced professionals and presented with consistent terminology and background information.

In conjunction with the implementation of NI 43-101, the CSA established an external Mining Technical Advisory and Monitoring Committee to advise on disclosure and other issues arising in connection with the implementation and application of this instrument and to serve as a forum for continuing communication between the CSA and the mining industry.

Marketplace Operations and Trading Rules (the "ATS Proposal")

On July 28, 2000, the Commission, together with other CSA members re-published NI 21-101 - *Marketplace Operation* and NI 23-101 - *Trading Rules* for comment. The ATS proposal focuses on the impact of alternative trading systems (ATSs) on the market and attempts to outline a regime for regulating them. The ATS proposal provides ATSs with choices as to the manner in which they will be regulated and attempts to minimize the negative impact of ATSs on the market by prescribing order and trade reporting requirements, information consolidation requirements and market integration requirements. The proposal has been revised substantially as a result of the comments received and it will be published for a further comment period in the upcoming year.

Take-Over Bid ("Zimmerman") Amendments

On March 31, 2001, the Commission, together with other CSA members, implemented the legislative and rule amendments arising from the recommendations of the "Zimmerman Report".

The amendments permit the commencement of a take-over bid by way of newspaper advertisement and extend the minimum deposit period under the bid from 21 to 35 days. Also, the time period within which directors of the target must deliver a Director's Circular has been extended from 10 to 15 days following commencement of the bid.

Take-Over Bids, Issuer Bids and Related Activities

In the period of April 1, 2000 to March 31, 2001, staff were asked to consider a number of transactions involving complex and sometimes notably contested issues.

A "take-over bid" is an offer to acquire securities that could result in the offeror owning 20% or more of a target company's voting or equity securities. The rules relating to take-over bids are designed to ensure fair treatment of the target issuer security holders and to provide them with sufficient information to enable them to make an informed decision regarding the bid. Securities legislation governs certain terms of take-over bids, restricts purchases by the offeror before, during and after the bid, requires the offeror to make detailed disclosure regarding the bid, and requires management of the target issuer to make a recommendation regarding the bid.

While most take-over bids proceed without regulatory intervention, the Commission is occasionally asked to intervene in contested or "hostile" take-over bids. Typically, Commission staff will work very closely with staff of other CSA members to ensure consistency in the positions taken by securities regulators. In some cases, Commission staff and Members have convened joint hearings with other securities regulators in take-over bid related matters. In the past year, Commission staff were involved in a number of take-over bids, issuer bids and related applications including:

- Petrobank Energy & Resources Ltd. bid for Ranger Oil Limited
- Precision Drilling Corporation bid for Plains Energy Services Ltd.
- Thistle Mining Inc. insider bid for Eurasia Gold Corp.
- Competing bids by MacDonald Oil Exploration Ltd., 32565 Yukon Inc. and Matco Investments Ltd. for Bresea Resources Ltd.
- TGS Properties Ltd. insider bid for Destination Resorts Inc.
- Aspen Properties Ltd. bid for Consolidated Properties Ltd.
- Hunt Oil Canadian Acquisition II Corp. bid for Berkley Petroleum Corp.
- Southward Energy Ltd. bid for Benson Petroleum Ltd.
- Globel Direct, Inc. proposed bid for Cybersurf Corp.

enforcement

E N F O R C E M E N T

WAYNE S. ALFORD

Director, Enforcement

*appointed April 23, 2001

The objective of the Enforcement department is to improve the public confidence in the integrity of the Alberta capital markets through the effective enforcement of the *Securities Act* and Rules. The *Securities Act* provides a number of tools with which the Enforcement department can work to achieve this objective. Staff have investigative power to compel testimony and the production of documents from market participants. The Act also provides for hearings in front of the Commission and it provides a variety of sanctions that can be imposed by the Commission. Those sanctions include:

- orders that trading in certain securities cease;
- orders that certain individuals cease trading in securities;
- orders that deny the use of prospectus and registration exemptions found in the Act and Rules;
- orders that prohibit persons from acting as a corporate officer or director;
- orders that cancel or restrict registration under the Act;
- administrative penalties of up to $100,000; and
- payment of the investigative costs and the costs associated with the hearing.

Enforcement staff, as agents for the Attorney General of Alberta, can also prosecute alleged breaches of the Act in the Provincial Court of Alberta, Criminal Division. If convicted, fines against individuals range up to $1,000,000 and five years less a day in prison. The fines for illegal insider trading are potentially higher as these fines are tied to the illegal profit that was produced by the trading.

To improve the department's investigative efficiencies, a case assessment unit was created in the last year. Because of the significant number of complaints received, it is not possible for the ASC to pursue every public complaint that is received. The Case Assessment Unit's function is to determine if a complaint merits further investigation. The unit performs a preliminary investigation to determine whether the matter should be assigned to the Investigations Unit. If the complaint is not to be further investigated, the complainant will be advised and the file will be closed.

When the Case Assessment Unit assigns a complaint to the Investigations Unit, a full investigation is done. The group working on the investigation includes an enforcement lawyer. During the investigation the group working on the file will determine if the matter should and can be settled, if it should proceed to a hearing, if it should proceed as a prosecution in Provincial Court or if it should be concluded with further action. If the group working on the file determines that it is appropriate to proceed to a hearing, a Notice of Hearing is issued and a hearing is conducted in front of a panel of Commission Members. If it is determined that the matter should proceed as a prosecution, information is sworn and the charges are heard in Provincial Court.

During the past fiscal year, the information officer received 5,398 inquiries through phone, fax, correspondence and e-mail. This is an increase of 12.5% from the previous year. Complaints have remained relatively constant from the previous year at 560 (+1%); however current investigation files have been dramatically reduced from 288 the previous year to 145 this fiscal year. This demonstrates the decision to focus on strategic areas and eliminate files which have a low priority.

Administrative penalties aggregating $466,000 were collected in the past fiscal year, up 156% from the previous year. Investigation costs totalling $111,000 were also recovered (+79% from fiscal 99-00).

The cases involving the Enforcement department over the past fiscal year included the following:

Cartaway Resources Corporation, John Ivany and William DeJong

On August 11, 2000, a panel of the Alberta Securities Commission issued Reasons for Decision with respect to the hearing against William DeJong, former director, and John Ivany, former CEO, of Cartaway Resources Corporation. Proceedings against a number of other respondents were settled or otherwise resolved before this hearing.

Cartaway Resources Corporation, previously known as Cartaway Container Corporation, traded on the Alberta Stock Exchange. In 1994, a group of brokers working in the Calgary and Vancouver offices of First Marathon Securities Limited purchased a controlling interest in Cartaway. In April of 1995, that same group purchased a large percentage of a private placement by Cartaway. Shortly afterwards, Cartaway announced that it had acquired a large number of mining claims in the Voisey Bay area.

In May of 1996, Cartaway issued news releases describing promising visual estimates of mineralization in drill core from one of its properties. Cartaway's share price reached as high as $26.00 before assay results were received. The assay results showed insignificant mineralization and Cartaway's share price fell dramatically.

In this hearing, the panel was asked to address three issues:

The first issue was whether Mr. DeJong, as a director, failed to cause Cartaway to promptly disclose a material change, being the change in Cartaway's business from a garbage-container-rental company to a Voisey Bay mining exploration company. The panel found that, although the material change occurred prior to the private placement, Mr. DeJong did not know of it because the true facts were deliberately concealed from him. The panel found that Cartaway's president, Michael Stuart, and other brokers employed by First Marathon (Blayne Johnson, Robert Hartvikson, and Larry Birchall) participated in a secret plan to acquire cheap stock through the private placement, knowing that Cartaway would later become a Voisey Bay mining exploration company.

The second issue was whether Mr. Ivany's distribution of drill core samples prior to assay informed certain persons of a material fact before that material fact was generally disclosed. The panel found that, although it is generally unwise to distribute samples prior to assay, the samples in this case were too small to constitute material information.

The third issue was whether Messrs. DeJong or Ivany issued a news release containing a misrepresentation. The panel found that Cartaway's news release dated May 16, 1996 contained a misrepresentation as to the presence of pentlandite (a nickel sulphide). The panel found that Mr. Ivany was responsible, but that Mr. DeJong was not responsible, for the misrepresentation.

The decision included an extensive discussion of the duties and responsibilities of directors and senior management in relation to disclosure generally, and specifically with respect to the issuance of news releases. The panel described the test as "whether a director exercises appropriate prudence and due diligence, which will be determined having regard to the particular circumstances of the director, the information available and the systems in place to deal with such information". The panel noted that Mr. Ivany, as CEO of a junior issuer, was expected to have intimate knowledge of the important events affecting the company, and to exercise effective managerial control over the processes involved. The panel found that Mr. Ivany, in approving the issuance of the news release, "displayed a reckless and cavalier approach that fell far below the standard expected of persons in his position."

The panel noted that, although Mr. DeJong was providing legal services to Cartaway, those services did not relate to the issuance of technical news releases regarding Cartaway's exploration program, nor did Mr. DeJong have any special expertise or access to information in relation to such releases. The panel found that Mr. DeJong's duty of prudence and due diligence as a director under those circumstances was the same as for any non-expert outside director. The panel found that the misrepresentation in the May 16 release was the result of a major error by Mr. Ivany, which Mr. DeJong could not reasonably have been expected to anticipate.

In a subsequent decision, the panel made orders against Mr. Ivany, prohibiting him from acting as a director or officer of any junior issuer for 5 years and ordering that he pay costs of the investigation and hearing in the amount of $20,000. The panel noted that Cartaway marked the second time that Mr. Ivany had been found responsible for disclosure violations (the first finding was made by the British Columbia Securities Commission in 1990 in relation to Calpine Resources Inc.). The panel found that in both cases, the violations were not intentional but involved failures of judgment, as opposed to failures of honesty or ethics. Mr. Ivany has been employed by a senior issuer since 1995. The panel considered Mr. Ivany's long experience acting as a director or officer of public companies and that his "career history shows no problems in the senior-issuer environment, in contrast to the serious problems that have occurred in the junior-issuer environment".

W.H. Stuart Mutuals Ltd., M. Diane Stuart & W. Howard Stuart

This hearing occurred in November 1999 and involved a mutual fund company selling private placement securities outside the conditions of its registration. The mutual fund company, W.H. Stuart Mutuals Ltd. ("WHSM") and its principals admitted responsibility for the violation and the issue the panel was asked to determine was whether the contravention was deliberate.

A panel of the ASC found that Ms. Stuart, while acting in a senior compliance and management position with WHSM, "orchestrated a crude, but deliberate scheme to circumvent Alberta law." This was accomplished by disguising trades of securities that occurred in Alberta to Alberta residents as sales to B.C. residents. If the trades had occurred in B.C., they would have qualified for an exemption in that province. In Alberta, no such exemption is available, and the filing of a prospectus and involvement of a registrant are therefore required.

The ASC panel noted that, "this falls in the most serious category of violations because Ms. Stuart occupied a position of trust where she was relied upon to ensure strict compliance by WHSM employees with securities law" and said "we cannot protect the public interest and the integrity of the capital markets if we tolerate deliberate violations of securities law by persons in Ms. Stuart’s position". As a result, Ms. Stuart was prohibited from holding any position as a director or officer of any issuer that is a registrant for the remainder of her life.

Mr. Stuart knew that securities were being sold by WHSM in Alberta, but there was no evidence showing any involvement by him in the plan to circumvent Alberta law. Mr. Stuart’s responsibility for the violations stemmed from his position as president and CEO of WHSM. The panel emphasized that, "persons in senior executive positions with registered dealers will be held accountable for failing to ensure compliance with applicable securities laws." Mr. Stuart was ordered to pay an administrative penalty of $25,000.

The ASC panel stated that, "registered dealers will be held accountable for failing to ensure their employees’ compliance with applicable securities law," and ordered WHSM to pay an administrative penalty of $150,000. WHSM, Ms. Stuart and Mr. Stuart were ordered to pay $17,000 for investigation and hearing costs.

Ms. Stuart has appealed the decision.

Morrison Williams Investment Management Ltd.

This matter proceeded on an agreed statement of facts to determine whether the Respondent acted as an adviser without being registered as required by the Act. The Respondent carried on the business of providing investment portfolio advice to various funds and high net worth individuals. Its offices are in Toronto and it is registered with the Ontario Securities Commission. Since 1997, the Respondent provided investment advice to an Alberta-based energy company and its subsidiaries. The Respondent admitted that it acted as an adviser but submitted that its activities in that capacity did not occur in Alberta.

The Commission framed the issue as being whether the giving of advice, by a person engaged in that business - that is, neither gratuitously nor as an incidental element of another business – has an effect on investors or the capital markets in Alberta, whose welfare the Act is designed to protect. The Commission noted that "with current electronic communications technology and interactivity and the ‘non-physical’ or ‘dematerialized’ nature of securities transactions, the lack of a physical presence within the provincial border is not the determinative factor"; rather, the Commission will look to the effect of the activity in Alberta and the consequences for Alberta investors. The Commission found that the Respondent was an adviser who was required to be registered pursuant to the Act.

National Gaming Corporation, Ted Barton, Bertrand A. Ouellette, Doug Wallace, John Warshawski, Richard Cholach, Colin Henderson, and Malcolm Lennie

NGC was a Delaware corporation, with an office in Edmonton, that attempted to establish and run a TV bingo-lottery in Ukraine. A panel of the ASC found that, from March through August of 1997, NGC illegally distributed securities to approximately 67 investors, mostly Albertans, raising at least US$200,000 and CDN$140,000.

Richard Cholach was a director and officer of NGC. The panel said that "as the primary architect of the illegal distribution, Richard Cholach’s conduct falls in the most serious category of violations because it constituted a deliberate and deceptive victimization of investors." The panel found that Mr. Cholach had "little or no regard for Alberta’s securities laws" and ordered that he cease trading in securities, be denied the exemptions in the *Securities Act*, and be prohibited from acting as an officer or director of any issuer in Alberta, all for a period of 20 years.

The panel also expressed concern that these violations by Mr. Cholach occurred when he had already given an undertaking not to trade in securities, an undertaking that arose from a previous illegal distribution of securities by Mr. Cholach. The panel noted the unfortunate fact that, "for people like Richard Cholach, the threat of removal from the capital markets is apparently not an effective deterrent because they have no interest in lawful capital market activity." The panel ordered Mr. Cholach to pay an administrative penalty of $25,000 and $30,000 for investigation and hearing costs. Mr. Cholach has appealed the decision.

Colin Henderson was a lawyer representing NGC. The panel found that Mr. Henderson, who has practiced law since 1952, erred in trusting Richard Cholach and also failed "to exercise the care and caution that the public has a right to expect when dealing with a lawyer in relation to any kind of securities transaction." The panel noted Mr. Henderson’s "previously unblemished professional record" and ordered that he be denied the exemptions in the *Securities Act* for a period of 5 years, and pay $5,000 towards the costs of the investigation and hearing.

Doug Wallace and John Warshawski were described by the panel as "passive directors", whose "failure to fulfill their responsibilities as directors was instrumental in allowing Richard Cholach to orchestrate the illegal distribution of NGC securities." The panel ordered that each of them cease trading in securities, be denied the exemptions in the *Securities Act*, and be prohibited from acting as an officer or director of any issuer in Alberta, all for a period of 1 year. Also, Mr. Wallace and Mr. Warshawski must each pay $2,000 towards the costs of the investigation and hearing.

Boyle Inc., Boyle International Inc. et al - Brian Boyle, Jason Boyle and Kevin Boyle

This matter involves a prosecution of the Boyles, who in October 1998 were each charged with six counts of contravening the *Securities Act*. The trial in Provincial Court commenced in October 2000 and continued intermittently for approximately seven weeks of evidence into February 2001. The case is completed and awaiting a decision which the Court has advised will be released in August 2001.

Investigation and Enforcement Cooperation

Over the past year, the Commissions' Enforcement Staff continued to consult and cooperate with other securities regulators and law enforcement agencies to combat illegal activities. These included joint operations and assistance with the U.S. Securities and Exchange Commission (SEC) and the Royal Canadian Mounted Police, as well as with other members of the Canadian Securities Administrators. These initiatives included participating in the National Enforcement Review Project which arose out of the OSC investigation of RT Capital Management Inc. A number of Alberta mutual fund managers and pension fund managers were examined to determine if market manipulation was occurring through "high closings". The investigation did not reveal any problems in Alberta.

ADMINISTRATIVE SERVICES

BONNY BESWICK

Director, Administrative Services

*appointed May 9, 2001

On November 10, 2000, a reorganization of the administration, finance, communications, information technology and human resources areas took place.

The newly created Department of Administrative Services supports the Commission through providing service in the areas of Human Resources, Information Technology, Administration, and Communications (including Investor Education).

Administrative Services has two broad mandates. The first is to provide productivity tools and the environment which enable staff to effectively fulfill the mission of the Commission. These tools include an advanced electronic information network, a range of employee benefits which are competitive in today's market, a system of records and file management and a comfortable and efficient work environment.

The second is to provide communication of key messages to internal and external stakeholders. Internally, the messages are delivered to staff via newsletters and working sessions. Externally, they are delivered in our annual report, on our website, through a variety of seminars and conferences, and to the media. These messages include a program of investor education delivered to the general public, to members of the securities industry and to Staff.

Human Resources

Ongoing activities in the Human Resources area include the annual salary survey of the industry and regulatory counterparts. This annual survey is conducted to ensure the salary ranges at the Commission are comparable to those elsewhere for similar jobs and types of work. Similar surveys were conducted in relation to a number of other personnel issues including vacation entitlements.

Human Resources staff was also engaged in the recruitment and selection of new employees, maintenance of personnel files, hearing employee concerns, and advising managers and supervisors on issues involving their staff.

Major projects underway in the Human Resources area include a review of the Compensation Plan and a revision of the existing Employee Handbook.

Seven new staff positions were created at the Commission this fiscal year. Twenty-six new employees joined the Commission in this year.

Information Technology

Under a newly hired Manager, Information Technology was busy not only providing ongoing desktop and technical support to our systems, but also upgrading the network infrastructure and our internal information system to take advantage of the upgrades to the CSA driven software (like SEDAR).

A major initiative is underway to construct a new server room in order to centralize computer equipment in one office (Calgary).

Communications & Investor Education

Well educated investors can make better financial decisions and are better prepared to defend themselves against securities fraud. A greater emphasis on and commitment to education initiatives is outlined in the Commission’s strategic principles. To support this, the Commission has increased efforts in the Communications and Investor Education areas.

Investor education activities are supported by the fund established by administrative penalties paid to the Commission. These activities, such as seminars, conferences and the development of brochures, are targeted to various audiences including the general investing public and industry participants such as issuers and registrants. The goals of the activities targeted to the general public are to increase general investor knowledge of the capital markets and to promote wise investment decisions. The goals of the activities targeted to the industry participants are to better communicate the requirements for their participation in the markets and to help make them aware of changes to the legislation which may affect them.

Investor Education Week, April 10 - 14, 2000, focused on the theme "Investigate Before You Invest". Seminars on this topic were presented in ten different communities throughout Alberta by Commission Members and Staff, targeting the novice investor.

On a national level, the Commission joined with other members of the Canadian Securities Administrators to present messages to both the youth and Canadians over fifty. For the youth market, the CSA worked with MuchMusic / MusiquePlus to develop and air a thirty second segment in both official languages entitled "What Are Your Dreams". The purpose of the segment was to encourage young people to save and invest for their futures. The television segment was accompanied by a contest on the corresponding web sites which tried to teach capital market concepts to the youth demographic.

In January 2001, the Commission along with the Alberta Capital Market Foundation and the Canadian Securities Institute announced that it would fund the Investor Education Centre to be located in the Edmonton Public Library. This initiative, operated by the Investor Learning Centre of Canada, joins the Investor Learning Centre already in Calgary in providing investor education to Albertans. The new Centre provides phone access to expertise located at the Calgary centre, on the spot internet service with investment sites and related information already bookmarked, investment-related software, reference support from the Edmonton Public Library and free brochures and investment information.

The Commission became a member of the "Your Money Network", an on-line resource dedicated to helping young people learn about the economy. Other members of this network include the Ontario and Manitoba securities commissions, Bank of Canada, the Canadian Investor Protection Fund, the TSE and the Canadian Bankers Association.

Members of the CSA reached out to Canadians over the age of fifty in an April 2000 issue of "CARP News - Fifty Plus Magazine". The CSA placed an article in this magazine discussing topics such as alternative trading systems, SEDAR and the effects of the Internet on investing.

Building on the success of the 2000 campaign, the 2001 Investor Education campaign was kicked off with a midwinter initiative. The CSA released across Canada a series of six articles on a variety of topics. Topics ranged from "Ten Tips to Safeguard Your Money" to "Leveraging a Risky Strategy to Increase Investment Returns". Copies of these articles are available on our website under "What's New".

The CSA has developed an information kit which is available free of charge. It contains information on mutual funds, selecting an investment adviser, and much more. The kit can be obtained by calling the Commission. The individual brochures available in this kit are also available on our website.

Continuing investor education activities, the Commission devoted significant resources to educating industry professionals by holding three conferences throughout the year. These conferences were coordinated though the Office of the Chief Accountant.

Commission staff speak regularly to public and professional groups. In the past year, Commission Members and Staff made presentations to many groups and associations. These are just a few of the groups:

- The Investor Learning Centres, Calgary & Edmonton
- The Certified Fraud Examiners Canadian Conference, Vancouver
- University of Alberta, Faculties of Business, Law & Management
- Western Securities Forum (Vancouver)
- Canadian Venture Exchange Forum (for the Alberta and British Columbia law societies)
- Canadian Securities Administrators Mutual Review Reliance System Training Seminar
- Canadian Bar Association, Business Subcommittee

Commission staff are strong supporters of their communities. Not only are they active in local charities and associations, but they give generously to national and global projects, as well. One staff member has reached a milestone of making over 200 donations of blood and blood products. Staff have participated in team building events such as the Calgary Corporate Challenge, the United Way and the Theatre Calgary Banff/Calgary Road Race.

A monthly staff newsletter is produced and distributed to all Staff and Members. This newsletter provides updates on Commission business, provides general information on Commission activities, and provides an opportunity for staff to share their accomplishments and success stories.

Public Information

The Commission acts as a depository for publicly available information on public companies. The Commission houses over 5,000 public files that include company news releases, prospectuses, annual information forms, material change reports, insider trading reports, quarterly and annual financial statements.

All public files are available for viewing free of charge at the Calgary and Edmonton offices. Interested individuals can call the main reception either in Calgary or Edmonton to order files.

Website development continues to be a priority. As of the end of fiscal year 2000/2001, all information previously contained in the weekly publication of the "ASC Weekly Summary" has been relocated to the website. The goal is to improve the amount of public disclosure and easy accessibility of public information.

Much of the available information is also available on the Commission website at **www.albertasecurities.com** or on the SEDAR website at **www.sedar.com**.

International Associations

The Commission continues to be a member of several organizations whose objectives include increasing international cooperation among securities regulators.

The Commission is a voting member of the North American Securities Administrators Association (NASAA), the oldest international organization devoted to investor protection. NASAA membership consists of securities administrators from the United States, Puerto Rico, Canada and Mexico.

The Commission is a member of the Council of Securities Regulators of the Americas (COSRA), which includes membership from 26 nations of the Americas and the Caribbean. COSRA provides a forum for mutual cooperation and communication for securities administrators.

The Commission is an associate member of the International Organization of Securities Commissions (IOSCO), which has 127 members worldwide.

THREE YEAR STATISTICAL SUMMARY

(for the years ended March 31)

	2001	2000	1999
PROSPECTUSES AND RIGHTS OFFERINGS FILED			
Prospectuses	744	695	629
Mutual Fund Prospectuses	102 (1)	170	104
Exchange Offering Prospectuses	0	3	3
Capital Pool Company Prospectuses(2)	120	57	94
Rights Offerings	30	39	38
ANNUAL INFORMATION FORMS AND APPLICATIONS			
Annual Information Forms	435	520	548
Escrow Applications	181	292	318
Exemption Applications	467	585	433
COMPANIES REGISTERED			
Dealers (mutual funds, securities, exchange contracts, scholarship plans, security issuers)	89	92	91
Advisers	128	117	109
Total Companies Registered	**207** (3, 4)	**199**	**204**
SALESPEOPLE REGISTERED			
Mutual Funds	9,571	9,387	9,477
Securities	9	46	61
Scholarship Plans	360	413	350
Exchange Contracts	38	35	28
Total Salespeople Registered	**9,978**	**9,881**	**9,916**
ENFORCEMENT			
Inquiries Received	5,398	4,793	4,156
Complaints Received	560	554	428
Concluded Investigations	370	280	281
Current Investigations	145	288	264
Interim Orders(5)	131	172	149
Final orders(6)	81	148	118
Settlements	58/34 (7)	47/33	64/33
Hearings	18	20	11
Commission Costs Recovered	$111,000	$62,000	$179,000
Prosecution Initiated in Provincial Court	1	0	2
Other Court Proceedings (including appeals)	10	24	8

1 = 102 mutual fund prospectuses qualified 2333 individual mutual funds for distribution.
2 = “Junior Capital Pool" (JCP) company prospectuses before December 1999.
3 = Also includes category of "underwriter", which has been eliminated.
4 = 10 firms are registered as both dealer and adviser.
5 = Pursuant to Sec. 21 of the *Securities Act*.
6 = Pursuant to Sec. 165 of the *Securities Act*.
7 = Number of respondents/number of agreements.

MANAGEMENT'S DISCUSSION AND ANALYSIS 2001

To be read in conjunction with the audited financial statements for the year ended March 31, 2001.

OVERVIEW

During this fiscal year, a Strategic Plan for the Commission was developed and implementation commenced. The Commission strategic principles are set out at page 2 of this annual report, and provide guidance and direction for the Commission's business activities.

The Commission achieved its budgeted objectives, even though the capital markets were volatile. Overall the Commission achieved its budgeted revenue target, but not all segments of revenue achieved their budgeted targets. Fee revenue, the principal source of Commission revenue increased 18.4 % over fee revenue in 2000. The Commission ended the year within its overall budgeted expenditure target, although some individual categories of expenditures exceeded their budgeted expenditure targets. It is anticipated that with the continuing uncertainty in the capital markets, the significant decline in the value of equity markets and the worsening economic climate, Commission revenue in the next fiscal year could be negatively impacted.

ANALYSIS OF OPERATING ACTIVITY

Net Income

Net Income for the year was $2.1 million, an increase of 67.9% over the net income of $1.2 million for the previous year. Revenue, excluding administrative penalty revenue and enforcement cost recoveries, exceeded budgeted revenue by 2.2% and expenditures of $13.6 million were 1.4% under budgeted expenditures of $13.8 million. This contributed $1.5 million to the Commission's net income. Administrative penalty revenue and enforcement cost recoveries which are not budgeted due to their discretionary nature contributed $.6 million to net income.

Revenue

Revenue, excluding administrative penalty revenue, increased to $15.3 million from $12.8 million a year ago - an increase of 19.0%. In addition, revenue excluding administrative penalty revenue, exceeded budgeted revenue by 3.0%. Investment income of $1.4 million increased 33.5% over investment income of $1.0 million a year ago and exceeded budgeted investment revenue of $1.1 million by 19.6%. Revenues from fees of $13.8 million increased 18.4% over revenues from fees of $11.6 million a year ago and exceeded budgeted fee revenue by 1.1%.

Table I shows operating revenue from fees by function:

Table I

Revenue (000's)	2001	% of Total	2000	% of Total	% Inc. (Dec.)
Distribution of Securities	$7,014	44.6	$5,281	40.6	32.8
Registration	4,333	27.6	4,115	31.6	5.3
Annual Financial Statements	1,904	12.1	1,777	13.6	7.1
Commission Orders	522	3.3	455	3.5	14.7
	$13,773	**87.6**	**$11,628**	**89.3**	**18.4**
Investment Income	1,359	8.7	1,018	7.8	33.5
Settlement Cost Recoveries	111	.7	62	.5	79.0
Administrative Penalties, Net	439	2.8	186	1.4	136.0
Other	28	.2	127	1.0	78.0
	$15,710	**100.0**	**$13,021**	**100.0**	**20.6**

The principal sources of revenue for the Commission for fiscal 2001 contributed a total of 96.3% of overall revenue for the year. This compares to 97.1% for the previous year. The principal sources of revenue are as follows:

1. Distribution fees include fees for new and renewal prospectus filings and private placement filings. These fees are made up of two components, an initial base fee and an additional percentage fee, where a minimum threshold of sales is achieved. Also included in this category are fees received for takeover bid circulars, director circulars and notices of variation. Overall distribution fees increased 32.8% over the previous year. Base prospectus fees increased 19.7% over the previous year, while the Notice of Proceeds component increased 49.9% over the previous year. The main reason was the increase in mutual fund filings and the increase in mutual fund sales for the year. Private placement fees increased .8% over the previous year with the Notice of Proceeds component increasing by 4.6% over the previous year. Sundry revenue was flat.

2. Registration fees are charged for the registration of advisers, dealers and their respective salespersons. Registrations increased 5.3% over the previous year. Company registrations declined by 4.1% from company registrations a year ago. Registrations of mutual fund salespersons declined by 3.9% from the previous year, whereas non-mutual fund salesperson registrations increased 32.0% over the previous year.

3. Annual financial statements are required to be filed within 140 days of a reporting issuer's year end. The majority of reporting issuers have December year ends and since the 140 day filing period straddles the Commission's March year end, annual financial statement revenue could fluctuate significantly between years depending on when the annual financial statements are filed and the fees are paid. The number of reporting issuers generally increases from year to year. Annual financial statement revenue provided 12.1% of total revenue for the Commission for the year and is a stable source of income. This represented an increase of 7.1% over the previous year. The number budgeted for annual financial statement revenue for the year was not achieved due to an overestimation in the budgetary process. Actual annual financial statement revenues were 23.3% below budgeted annual financial statement revenues.

4. Investment income earned for the year was $1.4 million, an increase of 33.5% over the previous year and a 19.6% increase over budgeted investment income. On a short term basis, the Commission retains its operating funds in the Cash Consolidated Income Trust Fund (CCITF) and longer term investments are invested in the Canadian Domestic Public Bond Pool (CDPBP). Both funds are administered by the Ministry of Revenue of Alberta. The rate of return on CDPBP for the year, based on market value, was 9.43%. This compares to a 1.3% rate of return earned by the bond pool a year ago. The CDPBP uses the Scotia Capital Markets Universe Bond Index as its benchmark. The Scotia Capital Markets Universe Bond Index had a rate of return of 8.7% for the year. This compares to a rate of return of 1.26% earned a year ago. Funds retained in the CCITF account earned $.24 million an increase of 41.2% over budgeted CCITF investment income. The CCITF earned an annualized rate of return of 6.02% for the fiscal year 2001, and this compares to a rate of return on SC 91 Day T-bills of 5.72% for the same period.

Administrative Penalties

The *Securities Act* authorizes the Commission to levy administrative penalties. The Act also restricts the purposes for which these funds may be used to endeavours or activities that, in the opinion of the Commission, enhance the capital market in Alberta. The restricted assets have increased to $625,000 from $186,000 the previous year. The Commission received $466,000 in administrative penalties, $19,000 in interest earned for the year on these funds, less $46,000 in expenditures deducted from this revenue.

Expenses

The Commission, in strengthening its internal controls, developed and implemented an Authorization for Expenditure policy during the year. The policy sets out the limits on operating and capital expenditures that may be authorized by various levels of management, including the Chair, and requires approval by Members when non-budgeted items exceed set expenditure limits.

The budget for Commission expenses for the year 2001 was $13.8 million. Actual expenses for the year were $13.6 million. This compares to expenses of $11.8 million for year 2000. Table II sets out the various details and analysis for the expenditures comparing current expense to the previous year as well as comparing to the budgeted amounts for the year.

Table II

	Budget 2001	% over (under) Budget	Actual 2001	% of Total	Actual 2000	% of Total	% Year Change 2001/2000
Salaries and benefits	$9,596	(4.8)	$9,138	67.1	$8,104	68.8	12.7
Premises	910	(4.3)	871	6.4	611	5.2	42.6
Materials and supplies	420	(21.0)	332	2.4	330	2.8	1.0
CSA project costs			243	1.8			
Contract services	927	34.6	1,248	9.2	1,077	9.1	15.9
Travel	541	(1.3)	534	3.9	461	3.9	15.8
Amortization	465	(3.0)	451	3.3	328	2.8	37.5
Telephone and Communications	224	(7.1)	208	1.5	201	1.7	3.5
Member fees	287	(51.2)	140	1.0	175	1.5	(20.0)
Other	438	3.6	454	3.4	489	4.2	(7.2)
Total expenses	**$13,808**	**(1.4)**	**$13,619**	**100.0**	**$11,776**	**100.0**	**15.6**

Commission expenses increased 15.6% over expenses in the previous year and were 1.4% below budget for the year. Generally, all expenses increased for the year compared with the previous year with the exception of Member fees which declined by 20.0%. The reasons for the decline in Member fees result from efficiencies in streamlining of the application process, enforcement matters being settled by way of agreement and delay of various enforcement matters.

Salaries and Benefits

Salaries and benefits comprised the largest expense to the Commission, being 67.1% of total expenses. This compares to 68.8% for the previous year. Salaries and benefits increased 12.7% over the previous year but were under budget by 4.8% for the year. Staff turnover and difficulty in recruiting staff contributed to the staff complement being less than optimum for the year. The Commission had a complement of 117 positions for the year ended March 31, 2001. There were 8 positions vacant at the year end with the majority of them being in the professional category.

Premises

Premises costs increased by 42.6% over the previous year. The increase resulted from expansion to the Calgary office to house the Commission computer server room and to accommodate increases in staffing. During the year the Commission had the option of leasing more space in the Exchange Tower or lose the right to the space. This resulted in the Commission exercising its option prior to the time it needed the space. The Commission was able to sublease a portion of the space on a short term basis which offset some of the leasing costs. This contributed to the Commission premises expense being less than anticipated and under budget.

CSA Project Costs

The securities regulators across Canada, which comprise the Canadian Securities Administrators (CSA), agreed to establish a CSA project office. The CSA project office will function as a separate office and will coordinate CSA projects including the development of harmonized securities rules, regulations and policies. It will also set priorities for completion of these rules, regulations and policies and monitor the progress to completion. The principal commissions have agreed to share the costs of the office and required third party costs. This sharing of costs is on an agreed upon formula basis. The respective share of the costs for the Commission for the year is separately disclosed on the statement of income.

Contract Services

Contract services increased 15.9% for the year and exceeded budgeted contract services by 34.6%. Contract services comprise a number of different expenses, such as the cost to microfiche files, amounts paid to SRO's for registering their respective members on behalf of the Commission, fees paid to experts for assistance in enforcement matters (including retaining outside legal counsel when necessary), the Commission secondment program and various other contracts that are required in conducting the normal business operations of the Commission.

Contributing to the variance over budget was the following: use of outside legal counsel and other experts on enforcement matters, continued development of the Commission website, amounts paid to the Investment Dealers Association for higher than anticipated registrations done on behalf of the Commission and the Commission secondment program.

Table III provides a breakdown of costs by division and indicates how Commission resources were employed. The table compares year 2001 to year 2000 and the division budget for 2001.

Table III

	Budget 2001	Actual Expenses 2001	Actual Expenses 2000
Office of the Chair and Members	1,441	1,393	1,228
Office of the Executive Director	712	750	541
Office of the Chief Financial Officer	382	249	327
Administration	2,956	2,860	2,618
Enforcement	2,880	2,842	2,274
Capital Markets	2,695	2,804	2,409
Legal/Policy	1,880	1,921	1,572
Information Technology	801	733	746
Human Resources	61	67	61
Total	**$13,808**	**$13,619**	**$11,776**

The Office of the Executive Director created the position of Corporate Counsel and assumed responsibility for that function.

At the commencement of the year, the Market Standards division and the Litigation division were combined to form the Enforcement division. This division now comprises the investigation group and the litigation group. This provides the Commission with the ability to take a team approach to enforcement files. This team approach assists investigators in planning investigations and obtaining evidence. It also involves legal counsel earlier in the file to assist in the development of the case as well as assisting in resolution of cases through settlement agreements.

The Enforcement division added four positions during the year - one enforcement counsel, two investigators and one administrative support position.

The Capital Markets division added four securities analyst positions. The increase in staff provided the Commission with the resources needed to review on a selective basis the continuous disclosure files of issuers. This change in focus to review the continuous disclosure records of issuers results from the fact that secondary trading now comprises the largest segment of trading in the capital markets. Investors rely on information contained in an issuer's continuous disclosure record to make informed investment decisions. The addition of these resources is in accordance with the Commission's goal to emphasize review of issuer files and to decrease emphasis on transactional review of prospectuses. As well, the business plan of the Commission provides for increased review of self-regulatory organizations and their members. In the next fiscal year an additional two financial examiners will be added for this purpose.

The Legal/Policy division filled three legal counsel vacancies during the year. This provided the necessary resources to continue with the policy workload and maintain the necessary resources to provide responses to applications on a timely basis. The division, as previously disclosed, is involved extensively in policy development both on a local basis and on initiatives being conducted through the CSA Project Office.

In accordance with the business plan, the Commission undertook to transfer its computer server room to the Calgary office and to consolidate the Calgary office as the head office of the Commission. In addition, as part of the consolidation process, responsibility for the Human Resources branch and the Information Technology division were transferred and became the responsibility of the Director of Administrative Services. The Administration and Finance branch were split. The finance and accounting functions were transferred to a finance division reporting to the Chief Financial Officer and the office administration functions remained the responsibility of the Director of Administrative Services.

The business plan principles also call for an increased presence of the Commission in investor and industry education. The Commission created, effective April 1, 2001, a Communications branch that will serve as the principal contact for the Commission with the public and the maintenance of the Commission website. This branch will be responsible for investor and industry education initiatives developed and undertaken by the Commission. The branch consists of the Director of Administrative Services, the Communications Coordinator, the Education Coordinator and an Administrative Assistant. The branch will develop and implement a strategy for providing an effective investor education program to Albertans.

The Administration and Information Technology branches added support staff to meet the increases in filing volumes and maintain services to the other divisions. The Commission has substantially completed the development of its web site. This permitted the information contained in the weekly summary to be posted on the Commission website. Effective April 1, 2001, printing and distribution of a paper copy of the weekly summary ended. This, over the long term, will generate cost savings to the Commission.

To further emphasize the importance of the Chief Accountant's role at the Commission, the Office of the Chief Accountant was separated from the Capital Markets Division and will now be a separate division reporting to the Executive Director.

The reorganization of the various divisions will become effective April 1, 2001, notwithstanding in some instances they effectively operated prior to the year end.

Capital Expenditures

Capital expenditures for the year were $1.1 million compared to a budgeted amount of $.84 million, being an over expenditure of 31.1% compared to budget. Contributing to the budget variance were expenditures for leasehold improvements of $.5 million compared to a budgeted amount of $.2 million and furniture and fixtures of $84,000 compared to a budgeted amount of $33,000. The Commission was required to exercise an option for additional space or lose the right to the space. This resulted in the Commission accelerating its plans for the development of the Calgary office space. Offsetting these over budgeted items were expenditures on computer equipment of $448,000 which was 17.0% less than the budgeted amount of $588,000 and telecommunications equipment of $29,000 which was 56.7% less than the budgeted amount of $67,000.

assets & liabilities

ASSETS AND LIABILITIES

Investments

The Commission's investments based on amortized book value increased by $1.1 million. This represents the reinvestment of the income earned on the fund for the year. This represented a rate of return of 9.43% based on market value for the year compared to a 1.33% rate of return in the previous year. The market value of the fund at March 31, 2001 was $15.8 million compared to $16.4 million on an amortized book value basis representing a discount to amortized book value of $.6 million. The market value of the fund at March 31, 2000 was $14.4 million compared to an amortized book value of $15.3 million representing a discount to amortized book value of $.9 million. The fund is subject to various risks, one of which is the change in rates of interest which impact on the market value of the fund. If the market value of the fund is below the amortized book value at a time when a draw down of funds is necessary, the Commission would recognize a loss on disposition of units in the fund to the extent of the difference in the market value per unit and the amortized book value per unit. The Commission anticipates that its current cash resources will be sufficient to meet its cash requirements and does not anticipate drawing down on its investments within the next fiscal year.

The Commission undertook a review of its current investment policy along with a review of its invested surplus. The review resulted in the policy being amended to permit the Commission to broaden its investment parameters and to permit it to invest in a pooled equity fund. The investments will continue to be managed by the Investment Management Division of the Ministry of Revenue of Alberta. The revised investment guidelines governing the size and allocation are as follows:

1. The target size of the invested surplus will be a minimum of 50% of the previous year's expenditures and a maximum of 100% of the previous year's expenditures.

2. Amounts up to the minimum size of the invested surplus will be invested 40% in an approved equity pool and 60% in an approved bond pool.

3. Amounts between the minimum and maximum size of the invested surplus will be invested 50% in an approved bond fund and 50% in an approved money market fund.

4. Amounts in excess of the maximum size of the invested surplus will be invested 100% in an approved money market fund.

The amendment to the investment policy will necessitate a realignment of Commission investments which may result in some losses.

The expectation of the Commission over the next several years is that expenditures will exceed revenues and the Commission will need to access some of its invested surplus to meet its expenditures. This will also assist to reduce the size of the invested surplus to within the above parameters. Should there continue to be either a significant excess or shortfall between revenues and expenditures over an extended period of time, it would become necessary for the Commission to accordingly review and adjust its fee schedule.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at March 31, 2001 were $.9 million compared to $.3 million a year ago. At March 31, 2001 there were significant construction liabilities, CSA project cost liabilities and other liabilities that account for the significant increase in liabilities at the year end. Subsequent to the year end, a number of these liabilities were paid which reduced the outstanding liabilities to a more normalized level considering the current operations of the Commission.

Lease Inducements

The Commission was entitled to a further lease inducement payment on April 1, 2001. The amount of the payment is approximately $200,000. This payment was received subsequent to the year end and will be amortized over the remaining 5 years of the lease term.

Unearned Revenue

Unearned revenue at March 31, 2001 was $1.1 million compared to $.7 million a year ago - an increase of 57.1%. The increase is attributable to unearned registration revenue at the year end. The Commission changed its requirement for registration of advisers, dealers and their salespersons from the anniversary date of each adviser, dealer and salesperson to the anniversary date of the adviser and dealer including all of the salespersons. This resulted in a large increase in the registrations that were required in the last month of the year and which are not completed until subsequent to the year end.

Accrued Benefit Liability

The accrued benefit liability represents future obligations relating to plans established for senior management of the Commission. The future obligations are determined based on actuarial valuations established at March 31, 2001. The plans are unfunded and will be funded out of the assets of the Commission when due.

Liquidity

Liquidity can be defined as an organization's ability to meet its financial obligations as they come due. Liquidity management provides the certainty that funds will be available to honour all commitments and involves the continuous forecasting and monitoring of expected cash flows. The Commission requires liquidity to principally finance its operations and capital expenditures on a current basis. The Commission will be required to fund its pension obligations from its cash surplus and operations when they come due. It is anticipated that over the next several years the Commission's cash expenditures will exceed its cash receipts which may require the Commission to draw down on its investments. The Commission also has guaranteed the liabilities of the Mutual Fund Dealers Association (MFDA). This continuing guarantee is limited to $2.16 million. It is not anticipated that the Commission will be called on to meet this guarantee.

The Commission ended the year with $16.4 million invested in the Canadian Public Domestic Bond Pool and $4.3 million in its operating account, which is also a part of the Consolidated Cash Investment Trust Fund (CCITF). The CCITF enhances the rate of return on Commission funds by paying a daily short term rate of interest on funds maintained in the Commission's operating account. Cash flow for the year was $1.2 million compared to $.5 million a year ago. Cash flow from operations was $3.1 million, administrative penalties provided $.4 million for a total of $3.5 million for the year. Investing activities required $.4 million for additions to restricted assets, $1.1 million for the purchase of investments, and $.8 million for capital assets.

outlook

OUTLOOK 2001/2002

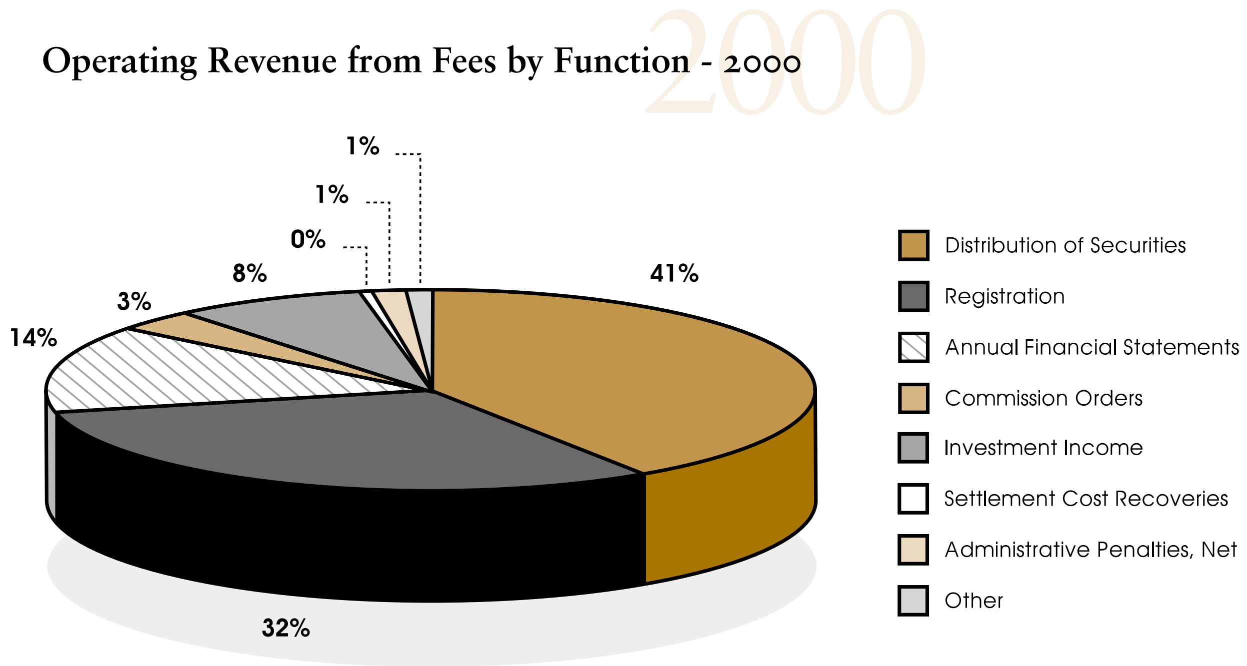
The Commission has budgeted revenues for 2001/2002 at $15.5 million and expenses at $16.7 million for an operating loss of $1.2 million. On a cash basis the Commission expenditures including its capital requirements are anticipated to be $.7 million greater than its cash receipts. Commission revenue is subject to a number of variables that could materially affect whether budgeted revenues are achieved, all of which are out of the control of the Commission. Factors such as the state of the capital markets, the current economic climate, the need for business to finance, and the current interest rates all may affect Commission revenue.

The business plan of the Commission contains a number of initiatives which, if implemented as scheduled, will likely result in the cash expenditures of the Commission exceeding the cash receipts over the next few years. The growth of the capital markets in Alberta will impact on whether it will be necessary to review the current fee schedule with the objective of aligning the fee structure with the required expenditures. In addition, there are a number of other commissions that are in the process of reviewing their fee structures with a view to seeking harmonization of fees to the extent possible and to better balance the fee structure to the costs associated with the delivery of the various Commission services. To date an alternative fee structure has not been developed or agreed upon nor has the impact on Commission revenues been assessed.

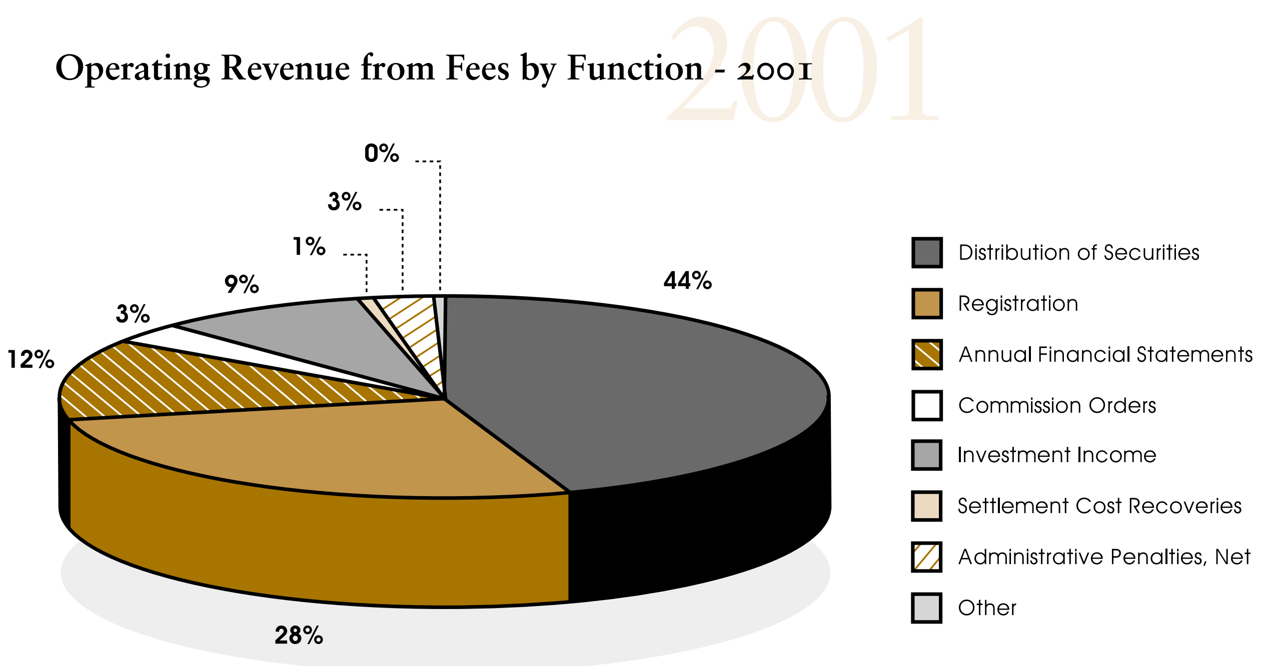
The Mutual Fund Dealers Association (MFDA) has now received regulatory approval as a Self Regulatory Organization. The Commission, to date, has not delegated any registration functions to the MFDA, although it is contemplated that certain functions will be delegated to this organization in the future. The timing of such delegation is uncertain and the impact on Commission expenditures has not been determined.

The recently established CSA Project Office, on an ongoing basis, will be responsible for the coordination of the development of harmonized securities rules, regulations and policies. For the 2001/2002 fiscal year, the Commission has committed $.4 million as its share of funding for these purposes.

Operating Revenue from Fees by Function - 2000



Operating Revenue from Fees by Function - 2001



MANAGEMENT'S REPORT

The financial statements included in this Annual Report are the responsibility of management and have been approved by the Members of the Commission. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial information contained elsewhere in this Annual Report is consistent with the financial statements.

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected. Where necessary, management has made informed judgements and estimates in the preparation of the financial statements.

The Auditor General of Alberta has examined the financial statements. The Commission's Audit Committee meets with management and the Auditor General to review issues relating to audit, internal control, accounting policy and financial reporting. The Audit Committee reports its findings to the Commission Members for their consideration in approving the financial statements.

Stephen P. Sibold, Q.C.

Chair

R.D. Sczinski, CA

Chief Financial Officer

AUDITOR'S REPORT

"The official version of this Report of the Auditor General, and the information the Report covers, is in printed form."

To the Members of the Alberta Securities Commission

I have audited the balance sheet of the Alberta Securities Commission as at March 31, 2001 and the statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta

April 30, 2001

Peter Valentine, FCA

Auditor General

BALANCE SHEET ($ THOUSANDS)

(as at March 31, 2001)

		2001	2000
ASSETS			
Current			
Cash	(Note 3)	$ 4,337	$ 3,129
Accounts receivable		147	170
Work-in-progress		110	74
Prepaid expense		20	11
		4,614	3,384
Non-current			
Restricted assets	(Note 4)	625	186
Investments	(Note 5)	16,405	15,287
Capital assets	(Note 6)	1,856	1,253
		18,886	16,726
Total assets		**$23,500**	**$20,110**
LIABILITIES AND RETAINED EARNINGS			
Current			
Accounts payable and accrued liabilities		$ 914	$ 293
Accrued vacation and benefit liabilities		736	658
Unearned revenue		1,173	681
Lease inducement	(Note 7)	-	40
Total current		2,823	1,672
Accrued benefit liability	(Note 8)	523	375
Total liabilities		3,346	2,047
Retained earnings	(Note 4)	20,154	18,063
Total liabilities and retained earnings		**$23,500**	**$20,110**

The accompanying notes and schedule are part of these financial statements.

Approved on behalf of the Members

Stephen P. Sibold, Q.C., Chair

Jerry A. Bennis, FCA, Member

STATEMENT OF INCOME AND RETAINED EARNINGS ($ THOUSANDS)

(For the year ended March 31, 2001)

		2001 Budget (Note 10)	2001 Actual	2000 Actual
REVENUE				
Fees	(Note 11)	$ 13,626	$ 13,773	$ 11,628
Investment income		1,136	1,359	1,018
Settlement cost recoveries		-	111	62
Other		65	28	127
		14,827	15,271	12,835
EXPENSE				
Salaries and benefits	(Schedule 1)	9,596	9,138	8,104
Premises		910	871	611
Materials and supplies		420	332	330
CSA Project costs	(Note 12)	-	243	-
Contract services		927	1,248	1,077
Travel		541	534	461
Amortization		465	451	328
Telephone and communications		224	208	201
Member fees	(Schedule 1)	287	140	175
Other	(Note 13)	438	454	489
Total expense		13,808	13,619	11,776
Net income from operations		1,019	1,652	1,059
Administrative penalties	(Note 4)	-	439	186
Net income		1,019	2,091	1,245
Retained earnings at beginning of year	(Note 4)	18,063	18,063	16,818
Retained earnings at end of year	(Note 4)	$19,082	$20,154	$18,063

The accompanying notes and schedule are part of these financial statements.

statement of cash flows

STATEMENT OF CASH FLOWS ($ THOUSANDS)

(For the year ended March 31, 2001)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from fees	$ 14,310	$ 12,120
Cash receipts from settlement cost recoveries	111	62
Cash paid to and on behalf of employees	(8,922)	(7,669)
Cash paid to suppliers for goods and services	(3,752)	(3,569)
Investment income	1,353	1,053
Cash flows from operating activities	3,100	1,997
Administrative penalties	439	186
Cash flows from operating activities and administrative penalties	3,539	2,183
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in restricted assets	(439)	(186)
Purchase of investments	(1,118)	(842)
Cash used for capital assets (1)	(774)	(675)
Cash used in investing activities	(2,331)	(1,703)
Increase in cash	1,208	480
Cash at beginning of period	3,129	2,649
Cash at end of period	$4,337	$3,129
(1) SUPPLEMENTAL CASH FLOW INFORMATION		
Additions to capital assets	$(1,058)	$(498)
Increases (decreases) in capital asset liabilities	284	(177)
	$(774)	$(675)

The accompanying notes and schedule are part of these financial statements.

notes

NOTES TO THE FINANCIAL STATEMENTS
($ THOUSANDS)

MARCH 31, 2001

Note 1: Nature of Operations

The Alberta Securities Commission (the "Commission") is a Provincial Corporation under the *Securities Act* (Alberta) (the "Act"). The business of the Commission is the regulation of the Alberta capital market, including the administration of the Act, the Securities Regulation and the Alberta Securities Commission Rules.

The mission of the Commission is to foster a fair and efficient capital market in Alberta and confidence in that market. In carrying out its mission the Commission strives to balance the needs of investors for adequate protection with the needs of industry to access capital necessary for continued economic growth.

The Commission, as an Alberta Provincial Corporation, is exempt from income tax.

Note 2: Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles.

The accounting policies of significance to the Commission are as follows:

(a) Portfolio Investments

Fixed-income securities are recorded at cost. Cost includes the amount of applicable amortization of discount or premium using the straight-line method over the life of the investments.

Investments are recorded as of trade date.

The cost of disposals is determined on the average cost basis.

Where there has been a decline in value in an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

(b) Investment Income

Investment income is recorded on the accrual basis where there is reasonable assurance as to its measurement and collectability.

Income and expense on index swaps and interest rate swaps are accrued as earned and gains and losses arising as a result of disposal of investments are included in the determination of investment income.

(c) Investment Valuation

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values of investments held directly by the pooled investment fund are determined as follows:

(i) Public fixed-income securities are valued at the year-end closing sale price, or the average of the latest bid and ask prices quoted by an independent securities valuation company.

(ii) Private fixed-income securities are valued based on the net present value of future cash flows. These cash flows are discounted using appropriate interest rate premiums over similar Government of Canada benchmark bonds trading in the market.

(d) Valuation of Derivative Contracts

Derivative contracts include bond index swaps, interest rate swaps and cross-currency interest rate swaps. As disclosed in Note 5(b), the value of derivative contracts is included in the fair value of the Commission's investment in the Canadian Dollar Public Bond Pool ("CDPBP"). The estimated amount receivable or payable from derivative contracts at the reporting date is determined by the following methods:

(i) Bonds index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

(ii) Interest rate swaps are valued based on discounted cash flows using current market yields.

(iii) The value of cross-currency interest rate swaps is included with the value of the underlying security. Cross-currency fixed to fixed interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields. Cross-currency fixed to floating interest rate swaps are valued at the principal amount plus accrued interest.

(e) Capital Assets

Capital assets are recorded at cost. The Commission capitalizes labour and out of pocket costs for significant individual systems development projects. Assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer equipment	3 years
Furniture and equipment	10 years
Systems development costs	5 years
Leasehold improvements	3.5 years to 10 years

(f) Revenue Recognition

Fees are recognized as revenue when the relevant order, receipt, certificate or other acknowledgement is issued. Fees received concerning matters in progress at year end are recorded as unearned revenue and an estimate of labour costs on these matters is recorded as work in progress. Administrative penalties, cost recoveries from Commission orders and settlement agreements are recognized as revenues when cash is received.

(g) Employee Future Benefits

The Commission participates in the Public Service Pension Plan, a multi-employer pension plan, with other government entities. Pension costs included in these financial statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for the service relating to prior years.

The Commission maintains a Supplemental Pension Plan (the Plan) for certain designated executives of the Commission. The cost of the pension is actuarially determined using the projected benefit method pro-rated on services and managements' best estimate of economic assumptions. Past service costs are amortized on a straight-line basis over the average remaining service period of employees active at the date of commencement of the plan. The average remaining service period of active employees of the Plan is 12 years.

The Commission also maintains a plan whereby it makes Registered Retirement Savings Plan contributions on behalf of certain employees of the Commission. The contributions are calculated based on a fixed percentage of the employees' salary to a maximum of the Registered Retirement Savings Plan contribution of $13,500. The expense included in these financial statements comprise the current contributions made on behalf of the employees.

(h) Lease Inducement

Cash payments received as lease inducements are deferred and amortized on a straight-line basis over the lease term.

(i) Restricted Assets

Revenues received by the Commission from Administrative Penalties are not to be used for normal operating expenditures of the Commission and can only be used for endeavours or activities that in the opinion of the Commission enhance the capital market in Alberta.

(j) Fair Value

The carrying value of cash, receivables and payables, and accruals approximate their fair value due to the relatively short periods to maturity of the instruments.

Note 3: Cash

Cash consists of demand deposits in the Consolidated Cash Investment Trust Fund. The Consolidated Cash Investment Trust Fund is administered by the Minister of Revenue with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositor's capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years.

Note 4: Restricted Assets and Retained Earnings

Restricted assets are comprised of administrative penalty revenue, interest earned, less associated costs.

For the year, restricted assets increased as follows:

	2001	2000
Administrative Penalty Revenue	$ 466	$ 182
Interest earned	19	4
	485	186
Less: Seminar and other costs	46	-
Net increase	439	186
Restricted Assets, beginning of year	186	-
Restricted Assets, end of year	$625	$186
Unrestricted earnings	$19,529	$17,877
Restricted earnings	625	186
Retained earnings	$20,154	$18,063

Note 5: Investments

The Commission's investments are held in the Canadian Dollar Public Bond Pool ("CDPBP"), a pooled investment fund established and administered by the Minister of Revenue. Pooled investment funds have a market based unit value that is used to allocate income to participants and to value purchases and sales of units.

(a) Summary

The following is a summary of the Commission's investment in the CDPBP as at March 31, 2001.

	2001		2000	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Deposit in the Consolidated Cash Investment Trust Fund	$ 326	$ 326	$ 269	$ 269
Public fixed-income securities				
Government of Canada				
direct and guaranteed	4,018	3,880	4,039	3,853
Provincial				
Alberta, direct and guaranteed	55	57	58	57
Other, direct and guaranteed	3,723	3,557	2,315	2,206
Municipal	239	234	127	120
Corporate	5,752	5,587	6,487	6,120
Private fixed-income securities				
Corporate	2,202	2,063	1,873	1,688
	16,315	15,704	15,168	14,313
Receivable from sale of investments	22	22	267	267
Accrued interest receivable	221	221	229	229
Receivable from participants for units issued	39	39	-	-
Accrued derivative income (loss)	(21)	(21)	-	-
Liabilities for investment purchases	-	-	(377)	(377)
Payable to participants for units redeemed	(171)	(171)	-	-
	90	90	119	119
Total - Alberta Securities Commission	$16,405	$15,794	$15,287	$14,432

CDPBP is managed with the objective of providing competitive above average returns compared to the total return of the Scotia Capital Markets Universe Bond Index over a four year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of portfolio duration and sector rotation. At March 31, 2001 securities held by the pool have an average effective market yield of 5.75% per annum (2000: 6.39% per annum) and the following term structure based on principal amount:

	2001 %	2000 %
under 1 year	5	9
1 to 5 years	36	35
5 to 10 years	29	29
10 to 20 years	15	15
over 20 years	15	12
	100	100

(b) Investment Risk Management

Income and financial returns of the Commission are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value due to fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

In order to earn an optimal financial return at an acceptable level of risk, management of the Commission has established an investment policy which is reviewed annually. Risk is reduced through the investment in a pooled bond fund with sufficient diversification and quality restraints on fixed income investments. Individual investments in non-listed and foreign securities are not eligible investments outside of CDPBP. CDPBP uses derivative securities to enhance returns.

(c) Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Commission participates in CDPBP which holds derivative contracts to enhance return, manage exposure to interest rate risk and foreign currency risk and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. A bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity.

Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies. There are underlying securities supporting all swaps. Leveraging is not allowed.

The Commission's proportionate share of the notional value of swaps issued by CDPBP as at March 31, 2001 is as follows:

	2001		2000	
	Notional Amount	Fair Value (i)	Notional Amount	Fair Value (ii)
Bond index swap contracts	$ 1,012	$ (5)	$ 1,826	$ 21
Interest rate swap contracts	334	(16)	309	(9)
	1,346	$(21)	2,135	$12
Cross-currency interest rate swap contracts (ii)	1,283		1,610	
(iii)	$2,629		$3,745	

(i) The method of determining the fair value of derivative contracts is described in Note 2(d).

(ii) As at March 31, 2001, the combined value of cross-currency interest rate swaps and underlying securities amounted to $1,291 (2000: $1,600).

(iii) The notional value of the swap contracts have the following terms to maturity: under 1 year - $1,091, 1 to 3 years - $453, and over 3 years - $1,085.

(d) Investment Returns

CDPBP uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the pool over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the return of pools with other pools or indices.

The Commission's rate of return for its investment in CDPBP during the year was 9.43% (2000: 1.33%). This compares to the Scotia Capital Markets Universe Bond Index rate of return of 8.70% (2000: 1.26%).

Note 6: Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 1,192	$ 704	$ 488	$ 290
Furniture and equipment	556	184	372	296
Systems development costs	-	-	-	6
Leasehold improvements	1,357	361	996	661
	$3,105	$1,249	$1,856	$1,253

Note 7: Lease Inducement

Pursuant to a ten year lease agreement effective April 1, 1996, as amended, the Commission received from its landlord a lease inducement of $200 and is entitled to a further $200 at the beginning of year six. Amortization for each year for the remaining 5 years will be $40 (2001: $40).

Note 8: Employee Future Benefits

The Commission's accrued benefit liability is comprised of:

Accrued Benefit Liability		2001		2000
Retirement Plan	$	194	$	214
Supplemental Pension Plan		329		161
		$523		$375

The expense for the plans referred to in this note are recorded in the Statement of Income under salaries and employee benefits.

(a) Public Service Pension Plan

The Commission participates in the Public Service Pension Plan (the PSPP). The expense for this pension plan is equivalent to the annual contributions of $171 for the year ending March 31, 2001 (2000: $132).

(b) Registered Retirement Savings Plan

The Commission makes contributions on behalf of employees who do not participate in the PSPP to employee Registered Retirement Savings Plans. The expense for the year ending March 31, 2001 was $225 (2000: $235).

(c) Retirement Plan

The Commission has a retirement plan for a designated executive. The provisions of the retirement plan were established pursuant to a written agreement with the designated executive. The retirement plan provides pension benefits based on a fixed schedule of payments over a fifteen year period ending in 2018. Accrued benefits are payable on the death of the designated executive. The retirement plan is not pre-funded and the benefits will be paid from the assets of the Commission as they come due. During the year the plan was amended, resulting in a $20 gain.

(d) Supplemental Pension Plan

The Commission has a Supplemental Pension Plan (the Plan) for certain designated executives of the Commission. The provisions of the Plan were established pursuant to a written agreement with each designated executive.

The Plan provides pension benefits to the designated executives which are defined by reference to earnings which are in excess of the $86 limit imposed by the Income Tax Act on registered pension arrangements.

Pension benefits from the Plan are payable on or after attainment of age 55 and are equal to 1.75% of highest average pensionable earnings (average over five years) for each year of service with the Commission. Members of the Plan become vested in the benefits of the plan after two years of service. Accrued benefits are also payable on early retirement (with reductions), death or termination of employment of the designated executive.

An actuarial valuation of the Plan was performed by an independent actuary in March, 2001. The accrued benefit liability was determined as at March 31, 2001.

The Plan is not pre-funded and the benefits will be paid from the assets of the Commission as they come due.

The results of that actuarial valuation as it applies to the Plan are summarized below:

		2001		2000
BALANCE SHEET AT MARCH 31				
Market value of assets	$	-	$	-
Accrued benefit obligation		596		466
Unfunded obligation		596		466
Unamortized transitional obligation		(279)		(305)
Unamortized actuarial gain		12		-
Accrued benefit liability		329		161
ACCRUED BENEFIT OBLIGATION				
Accrued benefit obligation at beginning of period	$	466	$	331
Service cost		109		106
Interest cost		37		29
Net Actuarial (gain)		(16)		-
Accrued benefit obligation at end of period		$596		466
PENSION EXPENSE				
The pension expense for the Plan is as follows:				
Service cost	$	109	$	107
Interest cost		37		29
Amortization of transitional obligation		22		25
Pension Expense	$	168	$	161

Actuarial Assumptions for Actuarial Valuation of the Plan

The assumptions used in the actuarial valuation of the Plan performed in March 2001 are summarized below. The discount rate was established in accordance with the yield on long corporate bonds. Other economic assumptions were established as management's best estimate in collaboration with the actuary. Demographic assumptions were selected by the actuary based on best estimate of the future experience of the plans.

Plan	2001	2000
Discount rate	7.35%	6.5%
Rate of inflation	2.35%	2.0%
Salary increases	3.35%	3.0%

Note 9: Lease Obligations

Operating

Future minimum operating lease payments for premises and equipment for each of the next 5 years and in aggregate are as follows:

2002	$1,328
2003	1,221
2004	1,192
2005	1,197
2006	1,197
Total	$6,135

Note 10: Budget

The members approved the Commission's 2000-2001 budget on February 9, 2000.

Note 11: Fees

Fees are comprised of:

	2001	2000
Distribution of Securities	$ 7,014	$ 5,281
Registrations	4,333	4,115
Annual Financial Statements	1,904	1,777
Orders	522	455
Total	$13,773	$11,628

Note 12: CSA Project Costs

The Canadian Securities Administrators (CSA) have established a CSA Project Office, the purpose of which is to assist in the development and harmonization of rules, regulations and policies across Canada. The Commissions have also agreed that the costs incurred for the maintenance of the CSA Project Office and any third party costs incurred in the development of harmonized rules, regulations and policies will be shared on an agreed upon cost sharing formula.

Note 13: Other expenses:

Other expenses are comprised of:

	2001	2000
Repairs and maintenance	$ 113	$ 99
Freight and postage	62	60
Equipment rental	56	51
Advertising	49	61
Business consultation	35	93
Other	139	125
Total	$454	$489

Note 14: Contingencies

(a) The Commission is involved in various legal proceedings arising from its regulatory activities. Management considers the chance of liability under these legal proceedings not to be determinable and accordingly an estimate of any contingent loss cannot be made.

(b) The Commission, along with the Ontario Securities Commission and the British Columbia Securities Commission entered into a Continuing Guarantee Agreement, to guarantee the liabilities of the Mutual Fund Dealers Association of Canada with a Canadian Chartered Bank. The obligation of the Commission to the Bank is limited to $2,160.

Note 15: Related Party Transactions

Travel service arrangements provided by a Member's travel agency, including fees for airline tickets - $218 (2000: $204).

These services are provided in the normal course of operations and are measured at fair value for the services provided.

Alberta Securities Commission Schedule of Salaries & Benefits

For the Year Ended in March 31, 2001.

	2001				2000	
	Number of Individuals (1)	Salary (2)	Benefits & Allowances (3)	Total	Number of Individuals (1)	Total
Securities Commission Members (part-time)	8	$139,988	-	$139,988	8	$175,322
Chair, Securities Commission (4)	0.9	$388,446	21,323	$409,769	0.7	$349,104
Vice Chair, Securities Commission (4)	1.0	180,200	20,927	201,127	1.0	182,575
Vice Chair, Securities Commission (4)	1.0	175,200	15,522	190,722	1.0	167,555
Executive Director (5)	1.0	190,200	18,332	208,532	1.0	195,861
Chief Financial Officer	1.0	143,200	19,443	162,643	1.0	147,489
Director, Capital Markets	1.0	145,200	15,140	160,340	1.0	147,035
Director, Enforcement	0.8	115,668	72,121	187,789	0.6	85,248
Director, Legal/Policy	1.0	150,200	16,369	166,569	0.6	89,017

(1) Number of individuals is the weighted average during the year.

(2) Salary includes regular base pay, bonuses, overtime and lump sum payments and honoraria.

(3) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pensions, registered retirement savings plan contributions, health care, dental coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plan, vacation payouts, professional memberships, tuition, and club memberships.

(4) The Chair and Vice-Chairs are full time Commission Members.

(5) Automobile provided, no dollar amount included in benefits and allowances figures.

COMMISSION MEMBERS

Stephen P. Sibold, Q.C.

Mr. Sibold was appointed Chair of the ASC in May 2000. He comes to the ASC with more than 20 years of legal experience primarily in securities and corporate/commercial law. Before joining the ASC, Mr. Sibold was the Senior Vice-President and General Counsel of Canadian Airlines Corporation and prior to that he was a partner with Bennett Jones LLP in Calgary.

Glenda A. Campbell

Ms. Campbell was appointed Vice-Chair in September 1999. Prior to that she served the ASC as Director, Legal Services and Policy Development and was instrumental in creating a national voice for Alberta through the development of policies and legislation at the national and local levels with a view to harmonizing the securities regime in Canada. Ms. Campbell has lectured extensively in professional continuing education seminars and has authored a number of papers.

Eric T. Spink

Mr. Spink became a Member in August 1995 and was appointed Vice-Chair in 1998. From 1990 to 1997, he was Counsel to the Alberta Law Reform Institute. Mr. Spink served as the Director of Market Standards of the ASC from 1988 to 1990. Currently, he is Chair of the Canadian Securities Administrators Task Force on Settlement Rules and serves as a Director of the Alberta Capital Market Foundation.

James E. Allard

Mr. Allard became a Member in January 1999 and is a member of the Audit Committee. He comes to the ASC with 35 years experience in operations, finance, international business, and the oil and gas industry. Mr. Allard is the past senior vice-president of a major international oil and gas corporation, has launched a publicly traded oil company and has brought his corporate governance skills to several companies.

Jerry A. Bennis, FCA

Mr. Bennis became a Member in January 1999 and is currently Chair of the Audit Committee. He has been in the accounting profession for almost 40 years during which time he built up a successful practice in Peace River, Alberta. Mr. Bennis is past President of the Institute of Chartered Accountants of Alberta.

Wendy E. Best, Q.C.

Ms. Best was appointed in 1997 and is a member of the Human Resources Committee. She is a partner with the Calgary law firm of Dunphy Best Blocksom and has practiced in the litigation area for more than 20 years. Ms. Best is active at both the local and national levels of the Canadian Bar Association. She is a frequent speaker for continuing legal education programs of both the bar and the bench.

Thomas G. Cooke, Q.C.

Mr. Cooke became a Member in April 2000 and is a member of the Audit Committee. Mr. Cooke comes to the ASC with close to 25 years experience in corporate, commercial and administrative law, having been a partner at a number of law firms in Edmonton. In April 2000, he was appointed President of a private land development company conducting business both in Canada and internationally. He is an active member of the Legal Education Society of Alberta.

John W. Cranston

Mr. Cranston was appointed in 1998 and is a member of the Human Resources Committee. He is President, Simcoe Press Limited and former associate director of a national investment dealer. As well, Mr. Cranston has wide-ranging directorship experience. He is Chair of the Alberta Capital Market Foundation, past Chairman of the Alberta Stock Exchange, Director of the Investor Learning Centre of Canada and Director of the Alberta and Calgary Scout Foundations. He also served as director and governor of several national governing bodies for the investment industry.

Walter B. O'Donoghue, Q.C.

Mr. O'Donoghue has been a Member since 1997 and is Chair of the Human Resources Committee. He is a partner with the law firm of Bennett Jones LLP and has practiced corporate law primarily in securities, banking and the oil and gas sector. Mr. O'Donoghue serves as a director of several public companies.

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(appointed April 23, 2001)

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(appointed May 9, 2001)

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Kenneth A. Parker, CA
Director, Capital Markets

Fred R.N. Snell, FCA
Chief Accountant (appointed February 20, 2001)

Auditor

Auditor General
Legislative Assembly of Alberta

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