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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - take-over bid - relief from the prohibition against collateral benefits and from the identical consideration requirement - payment in cash in lieu of part cash and part shares of the offeror permitted for holders of shares of the offeree resident in the United States - employment and consulting agreements entered into between offeror and selling security holders who are also senior officers or directors of the offeree or an affiliated company, share purchase agreement and assignment agreement entered into between offeror and selling security holder - agreements entered into for reasons other than to increase the value of the consideration paid to the selling security holders for their shares - agreements may be entered into despite the prohibition against collateral benefits

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 107(1) and (12), 114(2)(a) and (c)

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ONTARIO AND QUEBEC

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF DUNDEE WEALTH MANAGEMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Ontario and Québec (the “Jurisdictions”) has received an application from Dundee Wealth Management Inc. (the “Offeror”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the provisions in the Legislation:

- (a) prohibiting an offeror making or intending to make a take-over bid and any person or company acting jointly or in concert with the offeror from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the “Prohibition on Collateral Benefits”); and

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- (b) requiring an offeror to offer identical consideration to all holders of securities that are of the same class when a take-over bid is made (the “Identical Consideration Requirement”),

will not apply in connection with the offer (the “Offer”), made by the Offeror pursuant to the Legislation, to purchase all of the issued and outstanding common shares (the “CPFG Shares”) of Cartier Partners Financial Group Inc. (“CPFG”).

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

AND WHEREAS the Offeror has represented to the Decision Makers that:

2. The Offeror is a corporation incorporated under the laws of Ontario and has its head office at Scotia Plaza, 55th Floor, 40 King Street West, Toronto, Ontario M5H 4A9. The Offeror is a reporting issuer in all the provinces of Canada and in no other jurisdiction and is not in default of any of the requirements of the Legislation.
3. The authorized capital of the Offeror includes an unlimited number of common shares (the “DWMI Shares”) of which, as of October 31, 2003, there were 55,581,165 shares outstanding. The DWMI Shares are listed on the Toronto Stock Exchange.
4. CPFG is a corporation incorporated under the laws of the province of Alberta. The head office of CPFG is located at 130 Dufferin Avenue, Suite 1000, London, Ontario N6A 5R2. CPFG is a reporting issuer in the provinces of British Columbia and Alberta and in no other jurisdiction in Canada and, to the knowledge of the Offeror, is not in default of any of the requirements of the Legislation.
5. The authorized capital of CPFG consists of an unlimited number of common shares of which, to the Offeror’s knowledge, 173,128,102 CPFG Shares were issued and outstanding as of October 30, 2003. The CPFG Shares are listed on the TSX Venture Exchange (the “TSXV”).

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6. Cartier Capital Limited Partnership (“Cartier Capital”) is a limited partnership constituted under the laws of the province of Québec. The head office of Cartier Capital is located at 1800 McGill College Avenue, Suite 2350, Montréal, Québec H3A 3J6. Cartier Capital is not a reporting issuer in any jurisdiction.
7. The largest shareholder of CPFG is Cartier Capital, which currently holds 119,460,836 CPFG Shares, representing approximately 69% of all outstanding CPFG Shares as of October 30, 2003.
8. The limited partners of Cartier Capital are Services Financiers CDPQ Inc., a subsidiary of the Caisse de dépôt et placement du Québec (“CDP”), and Placements Phimax Inc. (“Phimax”). All of the outstanding securities of Phimax are owned, directly or indirectly, by Jean Dumont, Chairman of the Board and Director of CPFG and President of Cartier Capital, Pierre Duhamel, managing director of Cartier Capital, Patrick Lincoln, Secretary, Executive Vice-President and Director of CPFG and managing director of Cartier Capital, Jean Morissette, Executive Vice-President and Director of CPFG and managing director of Cartier Capital and Marc St-Pierre, Chief Investment Officer of CPFG and managing director of Cartier Capital (collectively, the “Executives”). The Executives have an indirect interest in CPFG through their ownership of shares of Phimax.
9. Cartier Mutual Funds Inc. (“CMF”) is a corporation incorporated under the laws of Canada. The head office of CMF is located at 1800 McGill College Avenue, Suite 2350, Montréal, Québec H3A 3J6. CMF is the manager, investment advisor and promoter of mutual funds held by CPFG (the “Funds”). 70% of the shares of CMF are held by CPFG and 30% of the shares of CMF are held by Cartier Capital.
10. As of October 31, 2003, CPFG and CMF owe an aggregate of \$86.4 million to Cartier Capital pursuant to an amended and restated loan agreement among CMF and Cartier Capital dated as of June 25, 2003, and an amended and restated loan agreement among CPFG and Cartier Capital dated as of June 25, 2003 (collectively, the “Shareholder Loans”). As at December 31, 2003, the aggregate amount outstanding under the Shareholders Loans is expected to be approximately \$90 million.
11. On May 22, 2003, following the announcement by Cartier Capital of its intention to solicit offers for the CPFG Shares, the shares that it holds in CMF, and the Shareholder Loans, CPFG’s board of directors (the “Board”) formed a committee of independent directors (the “Special Committee”) to consider

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potential offers to acquire all of the CPFG Shares and make recommendations regarding such potential offers to the Board.

12. Pursuant to an engagement letter dated September 18, 2003, the Special Committee retained KPMG Corporate Finance Inc. (“KPMG”) to provide it with an opinion (the “Fairness Opinion”) as to the fairness of any offer to purchase all CPFG Shares, including the Offer, and shares of CMF held by Cartier Capital. KPMG issued its Fairness Opinion with respect to the Offer on November 17, 2003.
13. Cartier Capital and the Offeror entered into a lock-up agreement (the “Lock-up Agreement”) dated as of November 11, 2003, as amended on November 17, 2003, pursuant to which:
 - (a) the Offeror agreed, subject to certain conditions, to make an offer to purchase all of the CPFG Shares;
 - (b) Cartier Capital agreed, subject to certain conditions, to deposit or cause to be deposited all of the CPFG Shares that it owns under the Offer; and
 - (c) the Offeror and Cartier Capital entered into the Share Purchase Agreement (defined below) and the Assignment Agreement (defined below).
14. Pursuant to a share purchase agreement (the “Share Purchase Agreement”) between the Offeror, Cartier Capital and CMF dated November 11, 2003, and amended on November 17, 2003, the Offeror agreed, subject to certain conditions, to purchase from Cartier Capital 1,109,703 common shares of CMF owned by Cartier Capital for an aggregate purchase price of \$4,000,000, to be satisfied by the payment of \$3,086,950 in cash and 120,934 DWMI Shares (being the same effective cash/DWMI Shares ratio as under the cash alternative under the Offer).
15. Pursuant to an assignment and assumption agreement (the “Assignment Agreement”) between the Offeror, Cartier Capital, CPFG and CMF dated November 11, 2003, and amended on November 17, 2003, Cartier Capital agreed, subject to certain conditions, to assign to the Offeror all of its rights and the Offeror agreed to assume all of Cartier Capital’s obligations pursuant to the Shareholder Loans, and the Offeror agreed to pay in consideration therefor a cash amount equal to all principal and interest due thereunder on the date on which the Offeror will first take-up the CPFG Shares deposited under the Offer.

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16. The Offeror and CPFG have entered into a support agreement (the “Support Agreement”) dated as of November 11, 2003, as amended November 17, 2003, pursuant to which CPFG agreed, subject to certain conditions, to recommend to its shareholders (other than Cartier Capital) to tender the CPFG Shares that they hold in accordance with the terms and conditions of the Offer.
17. The Offeror has offered to purchase all of the CPFG Shares for consideration per CPFG Share of (i) 0.021192 of a DWMI Share plus (ii) at the option of such holder, any combination of cash (“Cash Consideration”) and DWMI Shares to a maximum of \$0.54 cash, if such holder chooses all cash, and to a maximum of 0.071523 of a DWMI Share, if such holder chooses all DWMI Shares, subject to a maximum number of additional DWMI Shares of 4,112,340, (provided that if holders of CPFG Shares elect to receive, in aggregate, a greater number of additional DWMI Shares, each holder’s election for additional DWMI Shares will be reduced pro-rata). Pursuant to its deposit of CPFG Shares, Cartier Capital has elected to receive all cash in respect of the electable portion of the consideration under the Offer. Assuming CPFG does not issue any additional CPFG Shares and Cartier Capital does not change its cash election, if all remaining CPFG Shareholders elect to receive DWMI Shares, the number of DWMI Shares available under the Offer will be sufficient to satisfy such elections without proration.
18. The Offer was made by way of a single offer and take-over bid circular mailed simultaneously to all holders of CPFG Shares on November 24, 2003, and prepared in accordance with applicable securities legislation (including “prospectus-level” disclosure of the Offeror and pro-forma financial statements) and such other terms and conditions as are required by law.
19. The Offer is conditional on, among other things, (a) acceptance of the Offer by holders of CPFG Shares holding an aggregate of not less than 66 2/3% of the CPFG Shares on a fully diluted basis, and (b) approval of any Going Private Transaction (as defined below) by holders of that number of CPFG Shares, other than Excluded Shares (as defined below), as would constitute a majority of CPFG Shares that may be voted as part of a minority vote pursuant to Policy 5.9 of the TSXV (“TSXV Policy 5.9”), Ontario Securities Commission Rule 61-501 (“OSC Rule 61-501”), or Policy Statement No. Q-27 (Quebec) (“Policy Q-27”) (“Majority of the Minority Approval”) at a meeting of shareholders of CPFG held to consider a “going private transaction” as defined in such Policies and Rule (a “Going Private Transaction”). For the purposes of the foregoing, “Excluded Shares” means all CPFG Shares which the Offeror would not be permitted to treat as “minority” shares for the purposes of a Going Private Transaction pursuant to TSXV Policy 5.9, OSC Rule 61-501, or Policy Q-27, which for greater certainty shall include, without

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limitation, all CPFG Shares beneficially owned, directly or indirectly, or controlled or directed by any of Cartier Capital, the CDP, Phimax, and the Executives, and the relevant interested parties and related parties of any of the foregoing, and any person or company acting jointly or in concert with any of the foregoing in respect of the relevant transactions.

20. The Offeror does not beneficially own any CPFG Shares and has no intention of acquiring any CPFG Shares other than pursuant to the Offer prior to the expiry of the Offer.
21. The Offeror's operating subsidiaries are held through its direct subsidiary, DWM Inc. ("DWM"). The Offeror holds an 81.7% interest in DWM and the remaining 18.3% interest in DWM is held by CDP. The Offeror and CDP are parties to a shareholders agreement dated October 2, 2002 relating to DWM (the "DWM Shareholders' Agreement").

Pursuant to the DWM Shareholders' Agreement: (i) the Offeror and the CDP have pre-emption rights with respect to the issue of additional securities of DWM; (ii) the shareholders and DWM's major subsidiaries have agreed to certain restrictions on the transfer and hypothecation of DWM securities or of DWM's major subsidiaries or assets; (iii) the shareholders have agreed to certain rights of first offer and rights of matching offer in respect to transfers of securities of DWM; (iv) DWM and its major subsidiaries have granted CDP rights of matching offer on the sale of shares of the major subsidiaries or of all or substantially all of the assets of the major subsidiaries; and (v) tag along and drag along rights, in certain cases at a price equal to the greater of fair market value and the price offered by a third party purchaser, have been granted to CDP and DWML.

The Offeror has agreed to enter into an agreement with DWM pursuant to which following the acquisition by the Offeror of 100% of the CPFG Shares, the Offeror will transfer the CPFG Shares, the CMF shares and the Shareholder Loans to DWM (the "Subsequent Transfer") in exchange for consideration equal to the aggregate purchase price paid by the Offeror to acquire the CPFG Shares and the CMF shares and to assume the Shareholder Loans.

The CDP has consented to the Subsequent Transfer. Pursuant to the DWM Shareholders' Agreement, each of the Offeror and CDP have rights of preemption (the "Preemption Rights") with respect to the issuance of additional securities of DWM. Under the Preemption Rights, each of the Offeror and CDP have the right to acquire additional securities of DWM in a manner proportional to each of their holdings, on a fully diluted basis, in

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DWM so as to give each of them the opportunity to maintain its percentage interest in DWM on a fully diluted basis. In connection with the completion of these transactions, DWM will be issuing additional securities to the Offeror. Pursuant to CDP's Preemption Rights, CDP will have the opportunity to acquire additional securities in DWM to maintain its current interest in DWM of 18.3%. Should CDP choose not to exercise its Preemption Rights at all, its interest in DWM following the completion of the above transactions will be diluted. At this time, CDP has not indicated its intentions with respect to the Preemption Rights.

22. The Fairness Opinion prepared by KPMG states that: "Based upon and subject to the foregoing and such other matters as we considered relevant, KPMG is of the opinion that as of November 17th, 2003, the Offer is fair, from a financial point of view, to the holders of common shares of Cartier [i.e. CPFG]. As part of this Fairness Opinion, KPMG has taken into consideration the value attributed to CCLP's [i.e. Cartier Capital's] 30% interest in CMF, and the value of the non-cash consideration received pursuant to the Offer."
23. The Share Purchase Agreement and the Assignment Agreement (collectively, the "CCLP Agreements") were negotiated at arm's length and on terms and conditions that are commercially reasonable. The CCLP Agreements have been entered into for valid business purposes and not for the purpose of providing Cartier Capital with a collateral benefit or greater consideration for its CPFG Shares than the consideration to be received by the other holders of CPFG Shares.
24. The Offeror would not have agreed to make the Offer without simultaneously acquiring control over 100% of CMF since the latter is a subsidiary of CPFG and is acting as manager of the Funds.
25. The consideration for the transfer of all the shares of CMF represents approximately 8% to 10% of CMF's assets under management (plus associated debt) which, the Offeror understands, is within valuation ranges standard in the industry. Furthermore, the consideration payable, pursuant to the Share Purchase Agreement, to Cartier Capital for the CMF common shares it owns represents less than 2% of the entire transaction price and, as described in paragraph 13 above, is structured in the same manner as the consideration under the cash alternative under the Offer.
26. The Assignment Agreement provides for the assignment of the Shareholder Loans in consideration for the payment by the Offeror to Cartier Capital of an amount equal to the amounts that will be outstanding pursuant to such loans on the date on which the Offeror will first take-up the CPFG Shares deposited

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under the Offer. The entering into the Assignment Agreement will not have the effect of providing Cartier Capital with an amount any greater than the amount that it would have received upon the repayment of the Shareholder Loans by the borrowers, which repayment obligation would have been triggered upon completion of the Offer by the change of control provisions contained in the Shareholder Loans.

27. Pursuant to consulting agreements dated November 11, 2003, between the Offeror and each of Jean Dumont, Chairman of the Board and Director of CPFG and President of Cartier Capital, and Patrick Lincoln, Secretary, Executive Vice-President and Director of CPFG and managing director of Cartier Capital and Pierre Duhamel, managing director of Cartier Capital, Messrs. Dumont and Lincoln have agreed to provide (i) services to the Offeror similar to those they currently provide to CPFG and its subsidiaries, and (ii) advice to the Offeror in relation to the integration of the Offeror, CPFG and their respective subsidiaries for a period of six months, and Mr. Duhamel has agreed to provide advice to the Offeror in relation to the integration of the Offeror, CPFG and their respective subsidiaries for a period of two months (collectively, the "Consulting Agreements").
28. Pursuant to services agreements dated November 11, 2003, between the Offeror and each of Jean Morissette, Executive Vice-President and Director of CPFG and managing director of Cartier Capital and Marc St-Pierre, Chief Investment Officer of CPFG and managing director of Cartier Capital, Messrs. Morissette and St-Pierre have agreed to provide (i) services as an employee of the Offeror similar to those they currently provide to CPFG and its subsidiaries, and (ii) advice to the Offeror in relation to the integration of the Offeror, CPFG and their respective subsidiaries on an ongoing basis (collectively, the "Employment Agreements" and, together with the Consulting Agreements, the "Services Agreements").
29. The monthly remuneration payable to each of the Executives pursuant to their respective Services Agreement is approximately 1/12th of such Executive's aggregate annual compensation paid by CPFG, Cartier Capital and CMF. Furthermore, each of the Executives have agreed, either pursuant to their respective Services Agreement or under separate agreement, to non-solicitation and non-competition provisions which are of significant value to the Offeror.
30. The compensation payable to Messrs. Morissette and St-Pierre under their respective Employment Agreement will be finalized after completion of the purchase of the CPFG Shares under the Offer. Such final compensation will be at market rates, and within the Offeror's payout structure in terms of salary,

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performance incentives and benefits, for executives at the level of Messrs. Morissette and St-Pierre.

31. The consideration to be paid to Cartier Capital and the Executives for their CPFG Shares to be deposited under the Offer is identical to the consideration to be paid to all other holders of CPFG Shares.
32. The Services Agreements have been negotiated at arm's length and on terms and conditions that are commercially reasonable. The Services Agreements have been entered into primarily for the purpose of assuring DWMI that the integration of Cartier into DWMI and the continued operations of the integrated company will be as successful as possible following completion of the Offer and not for the purpose of providing the Executives with a collateral benefit or greater consideration for their CPFG Shares than the consideration to be received by the other holders of CPFG Shares.
33. DWMI Shares issuable to CPFG shareholders resident in the United States ("U.S. Shareholders") pursuant to the Offer will not be registered or otherwise qualified for distribution under the *Securities Act of 1933* in the United States.
34. According to the shareholder register of CPFG, as of November 7, 2003, there was one U.S. Shareholder holding a total of 20,000 CPFG Shares representing less than 1% of the total outstanding CPFG Shares.
35. A demographic summary report of an investor communication company dated as of November 18, 2003, states that an additional six U.S. Shareholders hold an aggregate of 433,909 CPFG Shares representing approximately 2.5% of the total outstanding CPFG Shares.
36. The Offeror has been advised by its United States legal counsel that it may become subject to reporting or registration requirements under United States securities laws if the Offeror has a certain number of beneficial shareholders in the United States.
37. The Offeror wishes to avoid a broad distribution of securities in the United States so as to avoid the time and expense of complying with the reporting and registration requirements under United States securities laws.
38. The Offeror proposes to deliver the DWMI Shares subject to the Offer, which U.S. Shareholders would otherwise be entitled to receive, to Computershare Trust Company of Canada (the "Depository"), for sale by the Depository on behalf of such U.S. Shareholders, as soon as practicable following the payment date for the CPFG Shares tendered by the U.S. Shareholders that are

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acquired under the Offer. In lieu of receiving the DWMI Shares, each U.S. Shareholder will receive, in addition to the Cash Consideration to which they are entitled, a cash payment equal to such U.S. Shareholder's *pro rata* portion of the net proceeds, after expenses and less any applicable withholding taxes, received by the Depositary upon the sale of the DWMI Shares to which the U.S. Shareholder would otherwise be entitled.

39. The consideration offered to U.S. Shareholders will be increased at the same time and on the same basis as any increase offered by the Offeror to the holders of CPFG Shares resident in Canada.
40. Any sale of DWMI Shares described in paragraph 37 above will be done in a manner intended to maximize the consideration to be received from the sale by the applicable U.S. Shareholder and minimize any adverse impact of the sale on the market for DWMI Shares.
41. Except as to the extent that relief from the Prohibition on Collateral Benefits and Identical Consideration Requirement is granted herein, the Offer is being made in compliance with the requirements under the Legislation concerning take-over bids.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that, in connection with the Offer:

- (I) the CCLP Agreements and the Services Agreements are being made for reasons other than to increase the value of the consideration to be paid to Cartier Capital or the Executives for their CPFG shares under the Offer, and may be entered into despite the Prohibition on Collateral Benefits provided that any Going Private Transaction completed by the Offeror subsequent to the Offer receives Majority of the Minority Approval as set out in paragraph 18 above; and
- (II) the Offeror is exempt from the Identical Consideration Requirement insofar as the U.S. Shareholders who would otherwise

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receive DWMI Shares under the Offer will receive cash proceeds as set out in paragraph 37 above.

DATED December 22nd, 2003.

H. Lorne Morphy

Suresh Thakrar