

January 31, 2001

IN THE MATTER OF: THE SECURITIES ACT

- and -

IN THE MATTER OF: CIBC WORLD MARKETS INC.

**ADDENDUM TO REASONS FOR DECISION
OF
THE MANITOBA SECURITIES COMMISSION**

Chairman: D. G. Murray
Board Members: E. O. E. Bergman
R. G. McEwen
L. M. McCarthy
W. J. A. Bulman
M. S. Fages
K. S. Kristjanson

APPEARANCES:

P. Anisman) for CIBC World Markets Inc.
R. Bret Mecedry-Williams)
G. Wimble)
D. R. Brown) for The Manitoba Securities
C. P. Besko) Commission

Counsel for CIBC asks the Commission to reconsider its Decision and settle the terms of the Order dated November 1, 1999 in favour of the Applicant. Counsel argues that the Commission applied the wrong standard pursuant to subsection 20(1) of The Securities Act. Subsection 20(1) sets out the following:

"Exemption by commission

20(1) Where the commission is of the opinion that it is not prejudicial to the public interest, it may, by order, subject to such terms and conditions as it may impose, exempt any trade, intended trade, security, person, company or distribution, as the case may be, from all or any provisions of this Act or the regulation."

Counsel points out that on pages 3 and 5 of the Reasons for Decision of the Commission the wording employed suggests that the test applied is whether granting the exemption "is in the public interest". This test, counsel argues, employs a higher standard than that required to determine that an exemption "is not prejudicial to the public interest". The position put forward is that had the proper standard been applied in this case the Commission must reasonably have

determined that granting the exemption from registration as applied for "is not prejudicial to the public interest".

Counsel for the Commission did not join issue to any degree concerning a suggested hierarchy of standards attached to various sections of The Securities Act. It may well be that the standard in determining public interest in a positive sense is higher than in determining it in a negative sense. The Commission sees no need to resolve this issue.

While the specific wording in two places in the Reasons for Decision refers to the matter in terms of "in the public interest", it is due to imprecise draftsmanship and not the application of an incorrect standard. The Commission is familiar with subsection 20(1) of the Act and its wording and the fact that the determination that must be made is whether the exemption sought "is not prejudicial to the public interest" as is clearly set out in the Reasons. The Commission was and is unable to make the determination that granting the exemption sought "is not prejudicial to the public interest". In fact it is the unanimous opinion of the Commission that granting the exemption is prejudicial to the public interest both actually and potentially.

In the circumstances, the Commission is unwilling to exercise its discretion pursuant to subsection 20(1) of the Act in favour of the Applicant.

January 31, 2001

Chairman

On behalf of Members of the Manitoba Securities Commission