10.10 Report of Short Positions

(1) A Participant shall calculate, as of 15th day and as of the last day of each calendar month, the aggregate short position of each individual account in respect of each listed security and quoted security.

(2) Unless a Participant maintains the account in which an Access Person has the short position in respect of a listed security or quoted security, the Access Person shall calculate, as of the 15th day and as of the last day of each calendar month, the aggregate short position of the Access Person in respect of each listed security and quoted security.

(3) Unless otherwise provided, each Participant and Access Person required to file a report in accordance with subsection (1) or (2) shall file a report of the calculation with a Market Regulator in such form as may be required by the Market Regulator not later than two trading days following the date on which the calculation is to be made.

Defined Terms: *UMIR section 1.1 – "Access Person", "listed security", "Market Regulator", "Participant", "quoted security" and "trading day"*

Market Integrity Notice: *The following is the text of Market Integrity Notice 2003-011 issued on May 27, 2003 under the heading **"Short Position Reports". Market Integrity Notice 2003-011 was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 – Guidance - Short Position Calculation and Reporting (October 29, 2007)**:*

Participants are reminded that Rule 10.10 of the Universal Market Integrity Rules ("UMIR") requires that each Participant calculate, as of the 15th day and the last day of each calendar month, the aggregate short position of each individual account in respect of each listed security and quoted security.

*Participants are further reminded that a short position in a listed or quoted security which is covered by the holding of a convertible or exchangeable security is nonetheless considered a short position that must be reported until such time as the convertible or exchangeable security has been tendered or the account holder has issued irrevocable instructions to convert or exchange the security. **Participants with accounts holding a short position in a security are urged to review the accounts to ensure that the short position has been properly reported.***

While the short position report is required by RS under UMIR, all short position reports must be filed with The Toronto Stock Exchange ("TSX") within two trading days following the date on which the calculation is to be made. Reports are filed with the TSX even though the security may not be listed on the TSX. Short position reports may be filed with the TSX by e-mail addressed to cmcgrave@tse.regnet.ca or jjmark@tse.regnet.ca

Market Integrity Notice: *The following is the text of Market Integrity Notice 2003-016 issued on August 13, 2003 under the heading **"Short Position Reports"**. The reports of the adjustments to the Consolidated Short Position Reports were issued as Market Integrity Notice 2003-019 on September 4, 2003 (for the report on the period ending August 31, 2003) and as Market Integrity Notice 2003-020 on September 23, 2003 (for the report on the period ending September 15, 2003). **Market Integrity Notice 2003-016 was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 – Guidance - Short Position Calculation and Reporting (October 29, 2007)**:*

Requirements – Universal Market Integrity Rules

This notice is intended to provide Participants with clarification regarding the application of Rule 10.10 of the Universal Market Integrity Rules ("UMIR") governing reporting Requirements pertaining to short positions. Subsection 10.10(1) of UMIR requires that each Participant, as of the 15th day and the last day of each calendar month, to calculate the total short position of each individual *account for all listed and quoted securities. Subsection 10.10(2) imposes a similar requirement on Access Persons unless the Access Person's account is maintained by a Participant. Subsection 10.10(3) requires Participants and Access Persons who have maintained the information required in subsection (1) and (2) to file a report with the Market Regulator containing such information not later than two trading days following the effective date of the report.*

It should be noted that UMIR subsection 10.10(1) specifically references that each Participant must report the total short positions from each separate account. Participants are not entitled to net short positions from more than one account even where accounts are the property of the same beneficial owner. The short position report must be calculated from each account separately. The Participant shall report an aggregate short position for each listed or quoted security based on the aggregate short positions in each account.

Incorrect Reporting

If Participants have been reporting Short Positions in a manner inconsistent with these requirements (i.e. consolidating reports for all accounts of a single beneficial owner or all inventory accounts) they are expected to report correctly in accordance with this notice for the reporting period as of August 31, 2003. In addition, Participants that have not been reporting in a manner consistent with this notice must contact Market Surveillance at 416-646-7220. Market Surveillance staff will advise what additional information will be required in an adjustment report and the form that such report shall take. All adjustment reports must be provided to RS no later than ***September 3, 2003****.*

RS intends to publish an adjustment report concurrently with, or shortly after the publication of the Consolidated Short Position Report on September 3. This adjustment report will detail the changes in short positions that result from changes in accounting by Participants and shall be made by way of a Market Integrity Notice.

Market Integrity Notice: *The following is the text of Market Integrity Notice 2004-029 issued on November 8, 2004 under the heading* ***"Short Position Reports – Canadian Trading and Quotation System Inc." (Schedule A to that notice has not been reproduced.)****.* ***Market Integrity Notice 2004-029 was repealed and replaced effective November 1, 2007 by Market Integrity Notice 2007-022 – Guidance - Short Position Calculation and Reporting (October 29, 2007)****:*

Rule10.10 of the Universal Market Integrity Rules requires that each Participant and Access Person report their short positions in listed securities or quoted securities as of the 15th day and the last day of each month. An Access Person is not required to file if the short position is in an account maintained by a Participant. Participants must provide short position reports for securities listed for trading on Canadian Trading and Quotation System Inc. ("CNQ"), whether or not they are an approved member of CNQ.

Method of Compliance

- *Each Participant must report their short positions in CNQ-listed securities using the formatted spreadsheet that CNQ will provide by email on the 15th and last day of each month. A sample spreadsheet is attached as Schedule A. If the 15th or last day of a month is not a trading day, the spreadsheet will be completed on the next trading day. Participants are to submit the completed spreadsheets to CNQ by secure e-mail (cnqadmin@regnet.ca) within two trading days of the date on which the report is to be completed. If a Participant does not hold any short positions in any securities listed for trading on CNQ, the Participant will file a "nil" report with all fields blank or reporting a zero position.*

Short position reporting requirements for CNQ-listed securities are identical to the requirements for reporting TSX and TSX Venture Exchange listed securities. Short positions should be determined in the same way regardless on which marketplace the security is listed or quoted. In preparing these reports, each Participant must calculate the aggregate short position for each account of each listed and quoted security.

When calculating total accumulated short positions, Participants are to accumulate the short positions in all client, non-client and principal accounts. The short positions in separate accounts must not be netted. In addition, short positions are to be reported using the trading date, not the settlement date. When calculating the short position, the Participant should not include odd-lot short positions.

Implementation

Participants will commence reporting short positions in CNQ-listed securities as of November 15, 2004. However, enforcement of the requirement will not commence until January 1, 2005. Participants will be expected to make reasonable efforts to file the reports within two trading days of each reporting date as soon as their organization is capable of doing so. If a Participant is unable to provide the short position reports by January 1, 2005, they should contact RS staff immediately to discuss methods of compliance.

Failure to Report

A Participant who fails to report short positions to CNQ (or reports an incorrect position) will be in violation of Rule10.10. If a Participant is unable to provide reports for any reason, they should contact RS staff.

Market Integrity Notice: *The following is the text of Market Integrity Notice 2004-032 issued on December 14, 2004 under the heading* ***"Submission of Short Position Reports to Canadian Trading and Quotation System Inc." Market Integrity Notice 2004-032 was repealed and replaced effective***

November 1, 2007 by Market Integrity Notice 2007-022 – Guidance - Short Position Calculation and Reporting (October 29, 2007)*:*

On November 8, 2004, Market Regulation Services Inc. issued Market Integrity Notice 2004-029 regarding the reporting of short positions as required by Rule10.10 of the Universal Market Integrity Rules for securities listed for trading on the Canadian Trading and Quotation System Inc. ("CNQ").

Each Participant must report their short positions in CNQ-listed securities using the formatted spreadsheet that CNQ will provide by e-mail to the Participant on the 15th and last day of each month. If the 15th or last day of a month is not a trading day, the spreadsheet will be sent on the next trading day.

If the Participant subscribes to the "regnet" system:

- *CNQ will send the reporting form will be sent to the "regnet" address of the Participant; and*
- *The Participant will submit the completed spreadsheet to CNQ by secure e-mail to cnqadmin@regnet.ca.*

If the Participant does ***not*** *subscribe to the "regnet" system:*

- *CNQ will forward the form by regular e-mail to the address to the e-mail address provided to RS for this purpose. If the Participant has not provided a specific e-mail address to RS, RS will use the general e-mail address of the Participant as indicated on the records of the marketplace to which the Participant is a member or user. RS expects that Participants will ensure that reports forwarded to a general e-mail address are directed internally by the Participant to the personnel responsible for short position reporting; and*
- *The Participant will submit the completed spreadsheet to CNQ by regular e-mail to ShortPosition@cnq.ca.*

A short position report in respect of CNQ-listed securities must be filed with CNQ within two trading days following the date on which the report is to be completed. Each Participant must identify themselves in the designated fields at the top of the completed spreadsheet by providing: their name; their clearing number, if applicable; the date the report was completed; and the name of the employee of the Participant that completed the report. If the Participant does not have a short position in a CNQ-listed security a zero should be entered rather than the word "Nil".

Market Integrity Notice: *The following is the text of Market Integrity Notice 2007-022 issued on October 29, 2007 under the heading* ***"Guidance - Short Position Calculation and Reporting":***

Summary

This Market Integrity Notice provides guidance on the requirements under the Universal Market Integrity Rules ("UMIR") for the preparation and submission of Short Position Reports including the procedures for filing the reports electronically with the Toronto Stock Exchange ("TSX") for securities listed on the TSX and TSX Venture Exchange ("TSXV") and with Canadian Quotation and Trade Reporting System ("CNQ") for securities listed on CNQ as a result of the discontinuance of REGNET and the introduction of Echoworx™ Encrypted Message eXchange or EMX™ for secure electronic regulatory communications.

Effective November 1, 2007, this Market Integrity Notice repeals and replaces:

- ***Market Integrity Notice 2003-011 – Short Position Reports (May 27, 2003);***
- ***Market Integrity Notice 2003-016 - Short Position Reports (August 13, 2003);***
- ***Market Integrity Notice 2004-029 - Short Position Reports – Canadian Trading and Quotation System Inc. (November 8, 2004); and***
- ***Market Integrity Notice 2004-032 - Submission of Short Position Reports to Canadian Trading and Quotation System Inc. (December 14, 2004).***

Requirement to Report Short Positions

Rule 10.10 of the Universal Market Integrity Rules requires that each Participant and Access Person report their short positions in listed securities or quoted securities as of the 15th day and the last day of each month. An Access Person is not required to file if the short position is in an account maintained by a Participant.

While the Short Position Report is required by IIRO under UMIR, all Short Position Reports must, within two trading days following the date on which the calculation is to be made, file a Short Position Report with:

- *the TSX for securities listed on the TSX and TSXV; and*
- *CNQ for securities listed on CNQ.*

Each Participant must provide a Short Position Report for securities listed on an Exchange whether or not that Participant is a member of that particular Exchange. Securities which presently trade on the "Pure Trading" facility of CNQ are TSX-listed securities and any short position should be reported to the TSX rather than CNQ.

In the future, if another marketplace is recognized as an "Exchange" or a "QTRS" and IIROC is retained to act as their regulation services provider, IIROC will issue a Market Integrity Notice to provide guidance on the filing of Short Position Reports for listed or quoted securities on that marketplace.

Participants and Access Persons are reminded that IIROC has proposed amendments to repeal the requirements to file Short Position Reports.[1] *Until such proposed amendments are approved by the securities regulatory authorities in Alberta, British Columbia, Manitoba, Ontario and Québec and are implemented by IIROC, each Participant and Access Person must continue to prepare and file Short Position Reports as required under Rule 10.10.*

Calculation of Short Positions

Short positions should be determined in the same way regardless on which marketplace the security is listed or quoted. Short positions are to be reported using the trading date, not the settlement date. When calculating the short position, the Participant should not include odd-lot short positions.

Each Participant must report the aggregate short position of each separate account in respect of each listed security and quoted security. A Participant is not entitled to net short positions from more than one account even if the accounts are the property of the same beneficial owner. The Short Position Report must be calculated from each account separately. The Participant shall report an aggregate short position for each listed or quoted security based on the aggregate short positions in each account.

Participants are further reminded that a short position in a listed security or quoted security which is covered by the holding of a convertible or exchangeable security is nonetheless considered a short position that must be reported until such time as the convertible or exchangeable security has been tendered or the account holder has issued irrevocable instructions to convert or exchange the security. ***Participants with accounts holding a short position in a security are urged to review the accounts to ensure that the short position has been properly reported.***

Method of Compliance

Requirement to Use EMX for Secure Electronic Regulatory Communications

As outlined in Market Policy Notice 2007-007 – General – Extension of Time to Comply with New Requirements for Secure Electronic Regulatory Communications (October 22, 2007) the operation of REGNET will be discontinued on November 30, 2007. IIROC will require the use of EMX for secure electronic regulatory communications (including the filing of Short Position Reports) effective December 1, 2007. During the period November 1, 2007 to November 30, 2007, either REGNET or EMX may be used.

For more details on EMX and the mandatory use of EMX for the exchange of regulatory information with IIROC, reference should be made to Market Policy Notice 2007-006 – General – New Requirements for Secure Electronic Regulatory Communications (September 26, 2007) ***Participants are reminded that each Participant must be registered with IIROC for the use of EMX and each Participant must submit a completed "EMX Registration Information Form" (in the form attached to Market Policy Notice 2007-007) to IIROC no later than Thursday, November 15, 2007.***

If an Access Person (being a subscriber to an alternative trading system or ATS), needs to file a Short Position Report with either the TSX or CNQ, the Access Person should contact IIROC regarding registration to use EMX.

Short Position Reports for TSX and TSXV-listed Securities

For the Short Position Reports for October 31, 2007 and November 15, 2007 to be filed with TSX in respect of listed securities on TSX and TSXV, a Participant may, at its option, file using:

- *the current procedure as outlined in Market Integrity Notice 2003-011 – Short Position Reports (May 27, 2003) and Market Integrity Notice 2003-016 - Short Position Reports (August 13, 2003); or*
- *EMX (by selecting "TSX/TSXV Shortposition" from the drop-down menu under "Contacts").*

For the Short Position Reports for November 30, 2007 and all future reports, the Participant must file the Short Position Report with the TSX using EMX.

The requirements of the TSX with respect to the format of the Short Position Report will not change with the introduction of EMX. Any questions regarding the acceptable format for a Short Position Report to be filed with the TSX should be directed to Catherine McGravey, Production Manager, TSXDatalinx at 416.947.4655 or catherine.mcgravey@tsxdatalinx.com.

Short Position Reports for CNQ-listed Securities

Each Participant must report their short positions in CNQ-listed securities using the formatted spreadsheet that CNQ will provide by e-mail to the Participant on the 15th and last day of each month. If the 15th or last day of a month is not a trading day, the spreadsheet will be sent on the next trading day.

Each Participant must identify themselves in the designated fields at the top of the completed spreadsheet by providing: their name; their clearing number, if applicable; the date the report was completed; and the name of the employee of the Participant that completed the report. If the Participant does not have a short position in a CNQ-listed security a zero should be entered rather than the word "Nil".

For the Short Position Reports for October 31, 2007 and November 15, 2007 to be filed with CNQ, a Participant may, at its option, file using:

[1] For a description of the proposed amendments to UMIR regarding short position reporting, reference should be made to Market Integrity Notice 2007-017 – *Request for Comments – Provisions Respecting Short Sales and Failed Trades* (September 7, 2007)

- *the current procedure as outlined in Market Integrity Notice 2004-029 - Short Position Reports – Canadian Trading and Quotation System Inc. (November 8, 2004) and Market Integrity Notice 2004-032 - Submission of Short Position Reports to Canadian Trading and Quotation System Inc. (December 14, 2004); or*
- *EMX (by selecting "CNQ Shortposition" from the drop-down menu under "Contacts").*

For the Short Position Reports for November 30, 2007 and all future reports, the Participant must file the Short Position Report with CNQ using EMX.

Failure to Report

A Participant who fails to file a Short Position Report with the TSX or CNQ in accordance with the procedure outlined in this Market Integrity Notice or who reports an incorrect short position will be in violation of Rule 10.10. If a Participant is unable to file a Short Position Report for any reason, the Participant must contact IIROC staff (Sandra Stefanescu, 416.646.7253 or sstefanescu@iiroc.ca).

Proposed Amendments:	*For information on the current proposed amendments for Rule 10.10, refer to Market Integrity Notice 2007-017 – Request for Comments - Provisions Respecting Short Sales and Failed Trades (September 7, 2007) which includes a proposed amendment to repeal Rule 10.10.*