The Ontario Securities Commission

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The Ontario Securities Commission exercises its regulatory oversight function through the administration and enforcement of Ontario's *Securities Act* (R.S.O. 1990, c. S.5) and *Commodity Futures Act* (R.S.O. 1990, c. C.20), and administration of certain provisions of the *Business Corporations Act* (R.S.O. 1990, c. B.16).

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Other Notices

A.2.1 Go-To Developments Holdings Inc. et al.

FOR IMMEDIATE RELEASE
July 17, 2024

GO-TO DEVELOPMENTS HOLDINGS INC.,
GO-TO SPADINA ADELAIDE SQUARE INC.,
FURTADO HOLDINGS INC., AND
OSCAR FURTADO,
File No. 2022-8

TORONTO – The previously scheduled day of July 18, 2024 will not be used for the merits hearing in the above-named matter. The merits hearing will continue on July 19, 22, 23, 24, 25 and 26, 2024 at 10:00 a.m. on each day.

The hearing will be held at the offices of the Tribunal at 20 Queen Street West, 17th floor, Toronto. Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.2.2 Liquid Marketplace Inc. et al.

FOR IMMEDIATE RELEASE
July 18, 2024

LIQUID MARKETPLACE INC.,
LIQUID MARKETPLACE CORP.,
RYAN BAHADORI,
AMIN NIKDEL AND
DENNIS DOMAZET,
File No. 2024-10

TORONTO – The hearing in the above-named matter scheduled to be heard on July 31, 2024 at 10:00 a.m. will be heard on July 31, 2024 at 2:00 p.m.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

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A.2.3 Traders Global Group Inc. and Muhammad Murtuza Kazmi

FOR IMMEDIATE RELEASE
July 18, 2024

TRADERS GLOBAL GROUP INC. AND
MUHAMMAD MURTUZA KAZMI,
File No. 2023-21

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated July 18, 2024 is available at capitalmarketstribunal.ca.

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A.2.4 Troy Richard James Hogg et al.

FOR IMMEDIATE RELEASE
July 19, 2024

TROY RICHARD JAMES HOGG,
CRYPTOBONTIX INC,
ARBITRADE EXCHANGE INC,
ARBITRADE LTD,
T.J.L. PROPERTY MANAGEMENT INC AND
GABLES HOLDINGS INC,
File No. 2022-20

TORONTO – The Tribunal issued an Order in the above-named matter.

A copy of the Order dated July 19, 2024 is available at capitalmarketstribunal.ca.

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Ontario Securities Commission

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A.2.5 Troy Richard James Hogg et al.

FOR IMMEDIATE RELEASE
July 19, 2024

TROY RICHARD JAMES HOGG,
CRYPTOBONTIX INC,
ARBITRADE EXCHANGE INC,
ARBITRADE LTD,
T.J.L. PROPERTY MANAGEMENT INC AND
GABLES HOLDINGS INC,
File No. 2022-20

TORONTO – The hearing in the above-named matter scheduled to be heard on July 25, 2024 will not proceed as scheduled.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.2.6 Ahmed Kaiser Akbar and Ontario Securities Commission

FOR IMMEDIATE RELEASE
July 19, 2024

AHMED KAISER AKBAR,
ONTARIO SECURITIES COMMISSION,
File No. 2024-7

TORONTO – The hearing in the above-named matter scheduled to be heard on September 30, 2024 at 10:00 a.m. will be heard on October 3, 2024 at 10:00 a.m.

Members of the public may observe the hearing by videoconference, by selecting the "Register to attend" link on the Tribunal's hearing schedule, at capitalmarketstribunal.ca/en/hearing-schedule.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.2.7 Nova Tech Ltd and Cynthia Petion

FOR IMMEDIATE RELEASE
July 22, 2024

NOVA TECH LTD AND
CYNTHIA PETION,
File No. 2023-20

TORONTO – The Tribunal issued its Reasons and Decision in the above-named matter.

A copy of the Reasons and Decision dated July 19, 2024 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

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A.3
Orders

A.3.1 Traders Global Group Inc. and Muhammad Murtuza Kazmi – s. 127(1), (2), (8)

IN THE MATTER OF
TRADERS GLOBAL GROUP INC. AND
MUHAMMAD MURTUZA KAZMI

File No. 2023-21

Adjudicator: Mary Condon

July 18, 2024

ORDER
(Subsections 127(1), (2) and (8) of the
Securities Act, RSO 1990, c S.5)

WHEREAS the Capital Markets Tribunal held a hearing in writing to consider a motion by the Ontario Securities Commission to extend the temporary order issued by the Commission on August 29, 2023, and extended by the Tribunal on September 11, 2023, October 25, 2023 and January 25, 2024;

ON READING the materials filed by the Commission, and on being advised that the respondents, Traders Global Group Inc. (**TGG**) and **Muhammad Murtuza Kazmi** consent to this order, without prejudice to any position that they may take in this or any other proceeding before the Tribunal, and that the Commission's investigation is ongoing, and on being advised that Grant Thornton Limited (the **Receiver**) in its capacity as receiver and manager, appointed pursuant to a decision of the Ontario Superior Court of Justice dated December 21, 2023, of all the assets, undertakings and property of the respondents, does not take a position in respect to the relief sought;

IT IS ORDERED that:

1. pursuant to ss. 127(1)2, 127(1)3, 127(2) and 127(8) of the *Securities Act*, until the earlier of 1) 10 days after the issuance of a Statement of Allegations naming one or both of TGG and Kazmi as a respondent, or 2) 3 months after the issuance of this Order, and except as may be required for the Receiver, or any agent on its behalf, to carry out the Receiver's mandate as set out in any order relating thereto that may be issued by the Ontario Superior Court of Justice:

   a. all trading in securities of TGG shall cease;

   b. trading in any securities by TGG and Kazmi, or by any person on their behalf, including but not limited to any act, advertisement, solicitation, conduct or negotiation, directly or indirectly in furtherance of a trade, shall cease; and

   c. any exemptions contained in Ontario securities law do not apply to TGG or Kazmi; and

2. the previously scheduled hearing date of July 24, 2024 is vacated.

"Mary Condon"

A.3.2 Troy Richard James Hogg et al.

IN THE MATTER OF
TROY RICHARD JAMES HOGG,
CRYPTOBONTIX INC.,
ARBITRADE EXCHANGE INC.,
ARBITRADE LTD.,
T.J.L. PROPERTY MANAGEMENT INC. AND
GABLES HOLDINGS INC.

File No. 2022-20

Adjudicator: Andrea Burke

July 19, 2024

ORDER

WHEREAS the Capital Markets Tribunal held a hearing in writing to set a schedule for a sanctions and costs hearing in this proceeding;

ON READING the submissions of the Ontario Securities Commission, and on being advised that the respondents do not intend to participate in the sanctions and costs hearing;

IT IS ORDERED that:

1. the Commission shall serve and file written evidence, if any, and written submissions on sanctions and costs, by 4:30 p.m. on August 29, 2024;

2. the respondents shall serve and file written evidence, if any, and written submission on sanctions and costs, by 4:30 p.m. on September 12, 2024;

3. the Commission shall serve and file reply written evidence and reply submissions on sanctions and costs, if any, by 4:30 p.m. on September 18, 2024; and

4. the hearing with respect to sanctions and costs is scheduled for September 30, 2024, at 10:00 a.m., and shall take place at 20 Queen Street West, 17th Floor, Toronto, Ontario, or as may be agreed to by the parties and set by the Governance & Tribunal Secretariat.

“Andrea Burke”

A.4
Reasons and Decisions

A.4.1 Nova Tech Ltd and Cynthia Petion – s. 127(1)

Citation: *Nova Tech Ltd (Re)*, 2024 ONCMT 18
Date: 2024-07-19
File No. 2023-20

IN THE MATTER OF
NOVA TECH LTD AND
CYNTHIA PETION

REASONS AND DECISION
(Subsection 127(1) of the *Securities Act*, RSO 1990, c S.5)

Adjudicators:	M. Cecilia Williams (chair of the panel) Sandra Blake Jane Waechter
Hearing:	April 25, 26 and 29 and June 7, 2024
Appearances:	Brian Weingarten For the Ontario Securities Commission
	No one appearing for Nova Tech Ltd or Cynthia Petion

REASONS AND DECISION

1. OVERVIEW

[1] Investors who believed they would earn three percent every week by investing in a managed product offered by Nova Tech Ltd lost some or all their money. Nova Tech claimed it could achieve and pay these returns by trading in foreign exchange and crypto assets using pooled investor funds. For this service, Nova Tech charged account management fees and performance fees. Nova Tech and its principal Cynthia Petion promised passive returns to investors, but ultimately suspended withdrawals from investor accounts and stopped communicating with investors.

[2] The Ontario Securities Commission alleges that Nova Tech breached the *Securities Act* (the ***Act***)[1] through unregistered trading, illegal distribution of securities, and breaching the Tribunal's temporary cease trade order. The Commission alleges that Petion authorized, permitted, and acquiesced in Nova Tech's violations of the *Act.* Finally, the Commission claims that Nova Tech and Petion engaged in conduct contrary to the public interest by freezing investor withdrawals while continuing to accept new funds from investors. Neither Nova Tech nor Petion participated in this hearing.

[3] For reasons that follow, we find that Nova Tech engaged in unregistered trading, an illegal distribution of securities, and breached the temporary cease trade order. We also find that Petion authorized Nova Tech's violations of the *Act*.

2. BACKGROUND

[4] Petion incorporated Nova Tech under the laws of Saint Vincent and the Grenadines. Petion is the sole shareholder, sole director, and Chief Executive Officer of Nova Tech.

[5] Nova Tech marketed and sold a passive investment opportunity based on its purported skill in foreign exchange (or forex) and crypto asset trading on a proprietary trading platform. Nova Tech's product was called PAMM – Percentage Allocation Management Module. According to Nova Tech, an investor who opened an account and invested in the PAMM product could expect to earn returns of approximately three percent per week.

[6] Each dollar invested in the PAMM product was treated by Nova Tech as a new unit of investment in the pooled fund that Nova Tech purportedly traded. Nova Tech showed a pro rata return on investment for each investor, and that return increased proportionately with each new dollar invested.

[1] RSO 1990, c S.5

[7] The evidence included videos posted on Nova Tech's YouTube channel. Petion was typically the star of those videos, touting the wealth that would be generated with Nova Tech's PAMM product. In one video, she boasted: "I have people who started with $99 accounts and are now buying Mercedes and living in nice houses they would have never lived in."

[8] To invest in the PAMM product, an investor opened an account with Nova Tech, bought and deposited crypto assets into that account, and used a web-based portal to watch their returns accumulate in a connected "bonus" account. Investors had the option to automatically move investment returns from their bonus accounts to their trading accounts for reinvestment, or to manually reinvest the bonus whenever they chose to do so. Nova Tech told investors, and the investors who testified understood, that their returns would compound this way.

[9] Nova Tech's marketing and sales efforts increased the amount of pooled funds under management. Nova Tech also: provided sales support; maintained a website; operated a YouTube channel; opened an account with an instant messaging service, Telegram, that ultimately had over 30,000 subscribers; and performed back-office functions (including distributing earnings to account holders and processing deposits and withdrawals by investors).

[10] For its efforts, Nova Tech was entitled to a $25 per month fee from each investor's account, as well as a 30 percent performance fee on Nova Tech's purported trading profits.

[11] The evidence showed that PAMM products were sold to thousands of Ontario investors. Specifically, there were 8,571 PAMM accounts registered to Ontario investors.

[12] On February 5, 2023, Nova Tech sent an announcement to investors explaining that it was imposing a 60-day temporary freeze on account withdrawals. Nova Tech said that withdrawals would be permitted beginning on April 1, 2023. This did not happen. Petion posted a YouTube video on March 31, 2023, imposing further restrictions on withdrawals and saying that she refused to have April 1 become "D-Day" for Nova Tech. Investor witnesses testified to the difficulty or impossibility of withdrawing funds starting as early as December 2022.

[13] The Tribunal made a temporary cease trade order on February 16, 2023, against Nova Tech. The cease trade order prevented Nova Tech from selling or buying securities and made Nova Tech ineligible to claim exemptions under the *Act*. That order was extended twice and remains in effect until replaced by a further order of the Tribunal. After that temporary cease trade order was made, Nova Tech continued to sell the PAMM product to Ontario investors as described further below.

[14] Nova Tech was not registered in any capacity with the Commission and did not file a prospectus for the PAMM product.

3. ISSUES AND ANALYSIS

3.1 Introduction

[15] The issues before us are:

a. Is the PAMM product a security?

b. Did Nova Tech engage in unregistered trading of securities?

c. Did Nova Tech engage in an illegal distribution of securities?

d. Did Nova Tech breach the temporary cease trade order?

e. Did Petion authorize, permit, or acquiesce in Nova Tech's breaches of Ontario securities law?

f. Did Nova Tech and Petion engage the Tribunal's public interest jurisdiction?

[16] In addressing the issues, the Commission presented extensive video evidence downloaded from Nova Tech's YouTube channel. It submits that this evidence is hearsay because it involves out-of-court statements and that it should be admitted for the truth of its contents. The Commission also asserts that the videos contain admissions by Nova Tech and Petion.

[17] We are comfortable relying on, and giving full weight to, the content of these videos for the following reasons:

a. The Commission authenticated the videos adequately by describing how the videos were identified during the investigation and how the videos were downloaded from Nova Tech's YouTube channel.

b. The videos were clearly prepared to support Nova Tech's marketing and investor relations efforts. As such, the videos show exactly what Nova Tech told investors both before they invested and during their time with Nova Tech.

c. Investors who testified at this hearing described some of these videos and confirmed that they had seen and relied on those videos while investing with Nova Tech. We note that, in general, an authenticated video is more reliable proof of its contents than any witness' recollection of that video.

[18] We now turn to our analysis of the issues.

3.2 Is the PAMM product a security?

[19] The *Act* defines a "security" to include sixteen categories of instruments. The Commission submits that the PAMM product is a security because it is an "investment contract".[2] In deciding whether an instrument is a security, we must take a broad and purposive approach to interpreting the *Act*, guided by the investor protection mandate of the *Act.*[3]

[20] The test for the existence of an "investment contract" comes from the Supreme Court of Canada's decision in *Pacific Coast Coin Exchange v. Ontario Securities Commission.*[4] An investment contract has four elements:

a. an investment of money;

b. with an intention or expectation of profit;

c. in a common enterprise where the success or failure of the enterprise is interwoven with, and dependent on, the efforts of persons other than the investors; and

d. the efforts made by those others significantly affect the success or failure of the enterprise.

[21] The Commission's investigator presented videos and other content from Nova Tech's website, YouTube channel and Telegram account where Nova Tech described the PAMM product, showed investors how to invest, and described earnings of about three percent each week. Petion featured prominently in these videos and emphasized that Nova Tech offered a passive investment opportunity since Nova Tech traded investors' pooled funds on global forex markets. The videos presented multi-level marketing earning opportunities for investors who successfully recruited new investors to the PAMM product.

[22] Three Ontario investors testified about Nova Tech and the PAMM product. We found their testimony to be clear and credible. Below we summarize each investor's understanding of the PAMM product.

a. Investor A testified that she understood Nova Tech had a trading platform with expert investors working to invest money on behalf of account holders. She opened an account, invested $2,000, watched her returns accumulate, and reinvested her earnings using the automatic compounding feature.

b. Investor B found the PAMM product appealing because he had no knowledge of investments – he and his wife thought they would benefit from Nova Tech making investments on their behalf. They expected to earn between one to three percent each week on their $20,000 investment.

c. Investor C said that the allure of passive investment was extremely attractive to him. He understood that Nova Tech would use professional traders across the globe to trade on his behalf. He invested $9,000. He understood that the PAMM product was yielding an average of three percent weekly. About 7-10 of his Ontario work colleagues were involved with Nova Tech and had received strong returns for two years.

[23] We conclude that the PAMM product sold by Nova Tech has all the characteristics of an investment contract and is therefore a security. Parts three and four of the test are frequently considered together. Based on the facts of this case we consider them separately. We conclude the PAMM product is a security because:

a. individuals invested their money with Nova Tech for the PAMM product;

b. they invested with the intention and an expectation of profit – this profit would be paid from Nova Tech's returns from foreign exchange and crypto trading using pooled investor funds and from potential compounding of returns through reinvestment;

c. they invested in a "common enterprise" in which the investors supplied capital and Nova Tech traded on their behalf. Nova Tech's trading efforts were essential to the success of the PAMM accounts. The PAMM product was marketed as a passive investment opportunity where Nova Tech did all the work to generate returns for investors; and

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2 *Act*, s 1(1), "security" para (n)
3 *VRK Forex & Investments Inc (Re)*, 2022 ONSEC 1 at para 22
4 1977 CanLII 37 (SCC) (***Pacific Coast Coin***)

d. the arrangement depended on the essential managerial efforts of Nova Tech for the success of the enterprise. In addition to trading, Nova Tech provided marketing and sales support, maintained a website, offered social media channels for communicating with investors and performed back-office functions including automating reinvestment of returns, distributing earnings to PAMM account holders and processing deposits and withdrawals by investors.

[24] The decision in *New Found Freedom Financial (Re*)[5] (***New Found***) supports our conclusion that the PAMM product is an investment contract under the *Act*. The product in *New Found* was strikingly similar to the PAMM product. Investors paid money to New Found and New Found pooled the funds and transferred them to forex traders. Under New Found's program, the forex traders provided New Found with a monthly return of 10 percent and New Found gave investors a monthly return of 5.28 percent. The Tribunal found that New Found sold investment contracts.[6]

3.3 Did Nova Tech engage in unregistered trading of securities?

[25] Subsection 25(1) of the *Act* requires that a company must be registered to engage in, or hold itself out to be engaged in, the business of trading in securities unless an exemption applies.

[26] Registration is one of the cornerstones of the *Act*'s regulatory framework. Registrants serve an important gate-keeping function and protect investors and the capital markets because they must comply with proficiency, integrity, and solvency obligations.[7]

[27] To find a breach of s. 25(1) of the *Act,* the Commission must establish that the respondents engaged in the business of trading. The onus then shifts to the respondents to identify an exemption and demonstrate their entitlement to rely on it.[8]

[28] For a registration requirement to apply, there is a "business trigger" test. Companion Policy 31-103CP, *Registration Requirements, Exemptions and Ongoing Registrant Obligations* identifies factors relevant to determining whether a company is engaged in the business of trading in securities. This Tribunal has previously applied the Companion Policy's non-exhaustive list of factors.[9] These factors include whether:

a. the respondent undertook activities similar to a registrant;

b. the respondent directly or indirectly solicited securities transactions;

c. the respondent received or expected to receive compensation for the activity; and

d. the respondent continued these activities with repetition or regularity.

[29] For Nova Tech, each of these factors are present and we find that Nova Tech was in the business of selling securities because:

a. Similar to a registrant, Nova Tech sold the PAMM product to Ontario investors so that they could earn returns. The Commission's investigator presented a detailed video recording of the Commission opening an account, transferring a small amount of crypto assets into it, and topping up the account after the Tribunal's cease trade order was in effect. Investors A and B described a similar process for opening and funding an account. We find that to an investor the process might seem like setting up an online account with a registrant.

b. Nova Tech's continuous and aggressive promotion of the PAMM product as an investment opportunity over social media (YouTube and Telegram) and on its website shows its broad-based solicitation of investors. Investor C described direct contact with a Nova Tech representative to invest. Nova Tech's multi-level marketing initiative brought each of Investors A, B and C to Nova Tech.

c. Nova Tech engaged in a for-profit business and received management and performance fees.

d. The evidence establishes that Nova Tech solicited investors over a period of at least 2 years. The regularity of its efforts brought in 8,571 Ontario investors.

[30] Nova Tech was not registered with the Commission and did not take part in this hearing to claim any entitlement to an exemption from registration.

5 2012 ONSEC 46 (***New Found***)
6 *New Found* at paras 7-12, 175-180
7 *Stinson (Re),* 2023 ONCMT 26 (***Stinson***) at para 32
8 *Black Panther Trading Corp (Re),* 2017 ONSEC 1 at para 95
9 *Stinson* at para 37

[31] In summary, Nova Tech was in the business of selling securities – specifically the PAMM product. As such, we find that Nova Tech violated s. 25(1) of the *Act* by engaging in the business of trading in securities without being registered with the Commission.

3.4 Did Nova Tech engage in an illegal distribution of securities?

[32] Nova Tech did not file a prospectus with the Commission. As described below, none of the three investors who testified qualified as accredited investors, and it did not appear that Nova Tech asked investors questions directed at whether they qualified for that exemption from the prospectus requirement.

[33] Investors A, B and C are Ontario residents who did not meet the individual income, family income, or financial asset thresholds to qualify as accredited investors. They would have benefitted from a prospectus, just as they would have benefitted from a knowledgeable registrant to guide them. In particular:

a. Investor A is a retired teacher who learned about Nova Tech from a former colleague. She was interested because her colleague showed her the returns that were possible. Investor A had minimal investment knowledge and no forex or crypto investing experience.

b. Investor B is an IT consultant with no investment knowledge and no experience in forex or crypto trading. He learned about Nova Tech from a relative who would receive a bonus from Nova Tech for signing up other investors. Nova Tech did not ask him for any Know Your Client information and did not provide any cautions about risks involved in the investment.

c. Investor C has a background as an insurance advisor. He described his investment knowledge as "better than most." He learned about the Nova Tech opportunity from work colleagues who became his "upline" in Nova Tech's multi-level marketing structure. He asked for a great deal of assistance from a Nova Tech representative in setting up his account.

[34] The prospectus requirement is another cornerstone of the Ontario securities regulatory regime. A prospectus ensures that investors have full, true, and plain disclosure of all material facts concerning the securities being offered for investment. When investors have this disclosure, they are properly equipped to assess the risks of an investment and to make informed investment decisions.[10]

[35] A person or company must not distribute a security without a prospectus unless an exemption applies.[11] Section 1(1) of the *Act* defines "distribution" as including "a trade in securities of an issuer that have not been previously issued."

[36] The onus is on the Commission to show that a prospectus is required. Then, the burden shifts to the respondents to show an entitlement to an exemption.[12] We also considered the Commission's evidence about the accredited investor exemption.

[37] The PAMM products sold to Ontario investors were securities that were not previously issued. Nova Tech treated each dollar invested as a new unit of investment in the pool fund that Nova Tech purportedly traded. Each investor saw a pro rata return on investment in their bonus account and saw that return increase proportionately with each new dollar invested.

[38] Because the PAMM products were not previously issued securities, this trading qualifies as a distribution of securities requiring a prospectus. As stated previously, the accredited investor exemption did not apply to the three witness investors. Not having filed a prospectus, and not having availed itself of an exemption, Nova Tech has breached s. 53(1) of the *Act*.

3.5 Did Nova Tech breach the temporary cease trade order?

[39] The Commission alleges that Nova Tech has also breached Ontario securities laws by breaching the cease trade order. The *Act*'s definition of Ontario securities law includes an order of the Tribunal that a person or company is subject to.[13] Thus if the Commission establishes that Nova Tech has breached the cease trade order, it will also establish a breach of Ontario securities law.

[40] Since February 16, 2023, there has been a cease trade order against Nova Tech, providing that:

a. all trading in any securities by Nova Tech, or any person on their behalf, shall cease;

10 *Limelight Entertainment Inc (Re) (**Limelight**),* 2008 ONSEC 4 at para 139
11 *Act,* s 53(1)
12 *Meharchand (Re)*, 2018 ONSEC 51 at para 95; see also *Limelight* at para 142.
13 *Act*, s 1(1) "Ontario securities law", "decision"

b. the acquisition of any securities by Nova Tech, shall cease; and

c. any exemption contained in Ontario securities law does not apply to Nova Tech.

[41] To establish a breach of the cease trade order, the Commission must prove on a balance of probabilities that Nova Tech traded in securities while the temporary cease trade order was in effect.[14]

[42] On April 24, 2023, a Commission investigator added additional funds to the Commission's PAMM account. We find that this transaction was a trade in the PAMM security because, after the deposit, the Commission owned more of the PAMM product. This trade happened more than three months after the date of the temporary cease trade order.

[43] Initially, the correct geographic option for an Ontario investor to select when opening an account was "Canada". In 2023, "Canada" was no longer available in the Nova Tech drop down address menu, so the investigator selected a US address to make this deposit. We do not find this significant because the Commission's account profile remained an Ontario address and because Nova Tech sent a confirmation listing the Ontario address to acknowledge the deposit.

[44] Investor C testified that he was directed to use a different address to get around the temporary cease trade order. A corroborating January 2023 Nova Tech YouTube video showed a Nova Tech representative recommending address changes to investors in Canada so that they could continue to invest in Nova Tech.

[45] We find that Nova Tech's removal of Canada as an address option for investors did not prevent Ontario investors from investing funds in Nova Tech while the temporary cease trade order was in place. Without additional controls, this effort to comply with the temporary cease trade order was illusory at best.

[46] Nova Tech also continued to permit Ontario investors to transfer accumulated returns from their bonus accounts to their PAMM trading accounts after the temporary cease trade order was in place.

[47] A Commission investigator switched the Commission's account to automatically transfer weekly bonus earnings to its trading account while the temporary cease trade order was in effect.

[48] Investor B continued to manually reinvest bonus amounts after Nova Tech's February 2023 notification that it had suspended withdrawals. He produced a receipt for the reinvestment of his bonus amount dated February 24, 2023 (eight days after the temporary cease trade order) and testified that he also reinvested additional bonus amounts after that.

[49] Investor C used automatic deposit for his bonus account after Nova Tech's withdrawal freeze because he understood that was the only way to keep his account active and continue to receive bonus payments. His reinvestment period stretched beyond the date of the temporary cease trade order.

[50] Since each of these transfers from a bonus account to a trading account was a new investment in the PAMM product, we find that these reinvestments were trades in newly issued securities after the temporary cease trade order was in place.

[51] We are satisfied that these examples show that Nova Tech breached the temporary cease trade order and accordingly violated Ontario securities law.

3.6 Did Petion authorize, permit, or acquiesce in Nova Tech's breaches of Ontario securities law?

[52] As the founder, sole director and CEO of Nova Tech, Petion was credited with "creating, planning, implementing and integrating the strategic direction" of Nova Tech and for overseeing the operations of the company. She was the online face of Nova Tech. She appeared in videos promoting investments in the PAMM product and made representations about every aspect of that security. She proudly described the riches that were available from an investment in the PAMM product.

[53] Section 129.2 of the *Act* provides that if a director or officer authorized, permitted, or acquiesced in a company's non-compliance with Ontario securities law, the director or officer shall be deemed to have also not complied with Ontario securities law. The threshold for liability under s. 129.2 is a low one.[15]

[54] We find that Petion, as the sole director and CEO of Nova Tech, authorized Nova Tech's breaches of Ontario securities law.

3.7 Did Nova Tech and Petion's conduct engage the Tribunal's public interest jurisdiction?

[55] The Commission submits that the respondents' conduct in continuing to accept investments in the PAMM product while simultaneously freezing investor withdrawals was contrary to the public interest.

[14] *MOAG Copper Gold Resources Inc (Re),* 2020 ONSEC 3 at para 33
[15] *Momentas Corporation (Re),* 2006 ONSEC 15 at para 118

[56] The phrase “contrary to the public interest” does not appear in the *Act*. It is rooted in the opening words of s. 127: “The Tribunal may make…orders if in its opinion it is in the public interest to make the…orders.” It refers to those instances where the Tribunal finds it to be in the public interest to issue an order under s. 127 for conduct, even where the Tribunal has not found that the conduct specifically breaches Ontario securities law. In those instances the conduct in question must be clearly abusive of the capital markets or it must violate an animating principle of the *Act*.

[57] On February 5, 2023, in the face of a surge in investor withdrawal requests, Petion announced that Nova Tech was suspending withdrawals for 60 days. She said that Nova Tech would continue to post returns in investor accounts during the freeze period. She explained that investors with pending withdrawal requests could keep their place in the queue until withdrawals resumed on April 1, 2023, or reinvest their continuing returns in their accounts.

[58] On March 31, 2023, one day before the withdrawal freeze was supposed to end, Nova Tech announced further restrictions. Petion said in a video that she was not prepared to have April 1 become “D-Day" for Nova Tech. The effect of the restrictions, based on the testimony of the investigator and investors, was to make it highly unlikely for investors to be able to withdraw funds.

[59] Despite the freeze and subsequent further restrictions, Nova Tech continued to accept investments in the PAMM product. The Commission’s investigator opened an account and purchased units of the PAMM product during this period. Investor B testified that during the freeze period he manually moved funds from his bonus account to his PAMM account because he had no other option for those funds.

[60] Attempts by Investors A and B to withdraw their funds during the freeze period were unsuccessful. After several attempts, Investor C succeeded in withdrawing only $17 from a balance of about $21,000.

[61] The Commission clarified that not all account freezes would be considered abusive. They say that different considerations may apply to those operating in compliance with the registration and prospectus requirements of the *Act* or in consultation with a securities regulator.

[62] The Commission also sought to reframe the allegation as Nova Tech and Petion making misrepresentations to investors, particularly about when and on what terms withdrawals could be made. The Commission did not include the necessary supporting facts or allegation in the Statement of Allegations for this submission and we are therefore unable to make a ruling on it.

[63] Nova Tech’s conduct in continuing to accept deposits while freezing withdrawals is troubling. However, we decline to make a finding in the public interest in these circumstances. As stated above, public interest orders are generally made for conduct that is not otherwise a breach of the *Act*. We found that the act of continuing to accept deposits in the face of the temporary cease trade order is a violation of the *Act*. Therefore, the requested public interest finding is not appropriate in this instance.

4. CONCLUSION

[64] For the reasons above, we find that:

a. Nova Tech engaged in the business of trading without being registered in breach of s. 25(1) of the *Act*;

b. Nova Tech distributed securities without a prospectus, and without any applicable exemptions from the prospectus requirement, contrary to s. 53(1) of the Act;

c. Nova Tech breached a temporary cease trade order and therefore breached Ontario securities law; and

d. Petion is deemed under s. 129.2 of the *Act* to have not complied with Ontario securities law in relation to each of Nova Tech’s breaches.

[65] We therefore require that the Commission contact the Registrar by 4:30 p.m. on August 6, 2024, to arrange an attendance, to schedule a hearing regarding sanctions and costs, and the delivery of materials in advance of that hearing. The attendance is to take place on a mutually convenient date that is fixed by the Governance & Tribunal Secretariat, and that is no later than August 23, 2024.

Dated at Toronto this 19th day of July, 2024

“M. Cecilia Williams”

“Sandra Blake”

“Jane Waechter”

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B. Ontario Securities Commission

B.1
Notices

B.1.1 CSA Notice Regarding Coordinated Blanket Order 93-930 Re Temporary Exemptions for Derivatives Firms from Certain Obligations When Transacting with Certain Investment Funds and for Senior Derivatives Managers from Certain Reporting Obligations

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE REGARDING
COORDINATED BLANKET ORDER 93-930
RE TEMPORARY EXEMPTIONS FOR DERIVATIVES FIRMS FROM CERTAIN OBLIGATIONS
WHEN TRANSACTING WITH CERTAIN INVESTMENT FUNDS AND
FOR SENIOR DERIVATIVES MANAGERS FROM CERTAIN REPORTING OBLIGATIONS

July 25, 2024

Introduction

On July 25, 2024, the Canadian Securities Administrators (the **CSA** or **we**) published temporary exemptions from specific requirements of National Instrument 93-101 *Derivatives: Business Conduct* (the **Business Conduct Rule** or the **Rule**) regarding derivatives firms dealing with or advising certain investment funds advised or managed by registered or authorized foreign advisers or investment funds managers, and reporting requirements for senior derivatives managers to facilitate transition to the new regime.

The CSA has coordinated the relief through local blanket orders that are substantively harmonized across the country entitled Coordinated Blanket Order 93-930 *Re Temporary exemptions for derivatives firms from certain obligations when transacting with certain investment funds and for senior derivatives managers from certain reporting obligations* (collectively, the **Blanket Order**).

The Blanket Order is being issued in Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan, and Yukon.

We anticipate that, if the Business Conduct Rule is approved by B.C.'s Minister of Finance, the British Columbia Securities Commission will issue an order that will have the same substantive effect as the Blanket Order.

Background

On September 28, 2023, the CSA published the Business Conduct Rule. The Business Conduct Rule comes into force on September 28, 2024 (the **Effective Date**).

We received submissions with respect to the following:

(i) Uniform treatment of certain investment funds

Some derivatives firms are concerned that the Business Conduct Rule might not be applied uniformly. The main issue relates to how the Rule applies to investments funds that are recognized as 'eligible derivatives parties' (**EDPs**). There is concern that the Rule does not explicitly categorize as EDPs investment funds advised by advisers, or managed by investment funds managers, that are registered or authorized outside Canada, such as those regulated by the U.S. Securities and Exchange Commission (**SEC**) or the U.S. Commodity Futures Trading Commission (**CFTC**). These firms noted that this could result in the Rule being applied unevenly to the same investment fund, since the application of the requirements in the Rule depends on whether a derivatives party is classified as an EDP or non-EDP.[1]

[1] It was also submitted that this appeared to be inconsistent with paragraph (k) of the EDP definition, which applies in the context of managed accounts.

(ii) Extension of timing to deliver certain reports to the board of a derivatives dealer

Derivatives firm requested that the CSA extend the deadline for senior derivatives managers of a derivatives dealer to submit the required reports to their board (the **SDM compliance report**). Specifically, they asked for this reporting to begin in the next calendar year rather than the current calendar year. The reason for this request is the brief period between the Rule's Effective Date and the end of the 2024 year, combined with the operational challenges involved in meeting the current 2024 year-end deadline.

Description of the Blanket Order

The purpose of the Blanket Order is to provide the following exemptions:

(i) Exemption for a derivatives firm in respect of certain investment funds advised or managed by certain regulated foreign advisers

To align with the exemption framework in section 8 of the Business Conduct Rule [*Exemptions from certain requirements in this Instrument when dealing with or advising an eligible derivatives party*], a derivatives firm is exempt from certain Rule requirements, except for core obligations in subsection 8(3), when transacting with an investment fund managed or advised by a foreign equivalent to a Canadian registered or authorized investment fund manager or adviser. This exemption aims to create a level-playing field for both domestic- and foreign-advised or foreign-managed investment funds seeking EDP status.

(ii) Exemption for a senior derivatives manager from the requirement to submit the SDM compliance report by year-end 2024

A senior derivatives manager is exempt from submitting the SDM compliance report to the board of the derivatives dealer by the current year-end deadline, as required in section 32(3) of the Rule. However, the period from the Effective Date to the end of 2024 must be addressed in the 2025 SDM compliance report.

Day on Which the Blanket Order Ceases to be Effective

The Blanket Order is effective on September 28, 2024. It will cease to be effective in Ontario on March 28, 2026.

Questions

Please refer your questions about this CSA Notice to any of the following:

Dominique Martin
Chair, CSA Derivatives Committee
Senior Director, Market Activities and Derivatives
Autorité des marchés financiers
514-395-0337, ext. 4351
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B.2
Orders

B.2.1 The Canadian Dollar Offered Rate and Refinitiv Benchmark Services (UK) Limited

Headnote

The Executive Vice President, Regulatory Operations of the Ontario Securities Commission applied for an order under section 144 of the Securities Act (Ontario) and section 78 of the Commodity Futures Act (Ontario) revoking the designation order of the Commission issued September 15, 2021 which designated the Canadian Dollar Offered Rate (CDOR) as a designated benchmark and its administrator as a designated benchmark administrator. The administrator of CDOR consented to the revocation order. CDOR ceased to published following a final publication on June 28, 2024. The revocation order was granted.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, ss. 24.1 and 144.
Commodity Futures Act (Ontario), R.S.O. 1990, c. C.20, ss. 21.5 and 78.
Multilateral Instrument 25-102 Designated Benchmarks and Benchmark Administrators.
Ontario Securities Commission Rule 25-501 (Commodity Futures Act) Designated Benchmarks and Benchmark Administrators.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5,
AS AMENDED
(the "OSA")

AND

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20,
AS AMENDED
(the "CFA")

AND

IN THE MATTER OF
THE CANADIAN DOLLAR OFFERED RATE
("CDOR")

AND

IN THE MATTER OF
REFINITIV BENCHMARK SERVICES (UK) LIMITED
("RBSL")

REVOCATION ORDER

Background

1. The Ontario Securities Commission (the "**Commission**") has received an application (the "**Application**") from the Executive Vice President, Regulatory Operations of the Commission (the "**Applicant**") for an order under section 144 of the OSA and section 78 of the CFA (the "**Order**") revoking the designation order of the Commission issued September 15, 2021 (the "**2021 Designation Order"**) which pursuant to section 24.1 of the OSA and section 21.5 of the CFA:

   (a) designated CDOR as a designated benchmark,

   (b) assigned CDOR as a designated critical benchmark and a designated interest rate benchmark for the purposes of Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* ("**MI 25-102**") and Ontario Securities Commission Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* ("**OSC Rule 25-501**"), and

   (c) designated RBSL as the designated benchmark administrator of CDOR.

2. On June 27, 2024, the Chief Executive Officer of the Commission delegated his power to make the Application under subsection 144(1) of the OSA and subsection 78(1) of the CFA to the Applicant pursuant to the delegation authority in subsection 3(2) of the OSA and subsection 2.3(2) of the CFA.

3. The Applicant gave notice of the Application to RBSL and RBSL consented to the issuance of an Order in this substantive form.

4. On May 16, 2022, RBSL published a notice announcing that RBSL would cease publication of the remaining tenors of CDOR after a final publication on June 28, 2024 (the **CDOR Cessation Date**).

5. On May 16, 2022, the Director under the OSA and CFA issued a notice to RBSL under paragraph 27(2)(b) of MI 25-102 and paragraph 27(2)(b) of OSC Rule 25-501 authorizing the cessation by RBSL of the provision of the remaining tenors of CDOR on the CDOR Cessation Date (OSC File #2022/0029).

6. The remaining tenors of CDOR have now ceased to be published after a final publication on the CDOR Cessation Date. Consequently, Commission staff

believe that the 2021 Designation Order should be revoked.

7. Prior to this Order, RBSL and the benchmark contributors to CDOR were required to comply with the applicable provisions of MI 25-102 and OSC Rule 25-501 in respect of CDOR.

8. RBSL has provided an undertaking to the Commission on certain matters, a copy of which is attached as Appendix A to this decision.

Interpretation

Terms defined in the OSA, the CFA, National Instrument 14-101 *Definitions,* MI 25-102 or OSC Rule 25-501 have the same meanings in this Order, unless otherwise defined herein.

Order

The Commission is satisfied that it is in the public interest to make this Order.

The Order of the Commission, pursuant to section 144 of the OSA and section 78 of the CFA, is that the 2021 Designation Order is revoked provided that:

1. This Order does not affect the requirement regarding an amended submission to jurisdiction and appointment of agent for service of process set out in subsection 4(4) of MI 25-102 and subsection 4(4) of OSC Rule 25-501 for a period of six years from the date of this Order.

2. This Order does not affect the record keeping requirements set out in subsections 24(4), 26(4) and 39(4) of MI 25-102 and subsections 24(4), 26(4) and 39(4) of OSC Rule 25-501 for a period of seven years from the date of this Order in respect of actions that occurred before this Order.

3. This Order does not prevent staff in the Enforcement Division of the Commission from taking appropriate action in respect of:

   (a) any failure to comply with the applicable provisions of MI 25-102, OSC Rule 25-501, the OSA or the CFA that occurred before this Order,

   (b) any failure to comply with the provisions of MI 25-102 or OSC Rule 25-501 referred to in paragraphs 1 and 2 above,

   (c) any failure to comply with the prohibitions in section 126.3 of the OSA or section 59.3 of the CFA on providing false or misleading information for the purpose of determining CDOR that occurred before this Order, and

   (d) any failure to comply with the prohibitions in section 126.4 of the OSA or section 59.4 of the CFA on benchmark manipulation in relation to CDOR that occurred before this Order.

Dated this 17th day of July, 2024.

"Grant Vingoe"
Chief Executive Officer
Ontario Securities Commission

OSC File #: 2024/0380

APPENDIX A

Undertaking

To: Ontario Securities Commission (**OSC**)

Upon the issuance by the OSC of an order (the **Order**) revoking the designation order of the OSC issued September 15, 2021 which designated the Canadian Dollar Offered Rate (**CDOR**) as a designated critical benchmark and a designated interest rate benchmark and Refinitiv Benchmark Services (UK) Limited (**RBSL**) as its designated benchmark administrator, RBSL hereby undertakes to:

1. continue to provide, for a period of seven years from the date of the Order, historical CDOR data to market participants through the same distribution methods of RBSL or its affiliated entities, including London Stock Exchange Group plc (**LSEG**), that existed before the cessation of CDOR following a final publication on June 28, 2024 (the **CDOR Cessation Date**), including through Reuters Information Codes (**RICs**) for CDOR which are accessible on LSEG products like Eikon and LSEG Workspace;

2. continue to provide, for a period of seven years from the date of the Order, historical CDOR data free of charge to any member of the public or any employee of the OSC who requests it;

3. continue to make available on the CDOR section of the LSEG website, for a period of two years from the date of the Order, historical information and documents related to CDOR, including:

   (a) the CDOR methodology required by section 16 of Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators* (**MI 25-102**) and section 16 of Ontario Securities Commission Rule 25-501 (Commodity Futures Act) *Designated Benchmarks and Benchmark Administrators* (**OSC Rule 25-501**),

   (b) the CDOR benchmark statement requirement by section 19 of MI 25-102 and section 19 of OSC Rule 25-501,

   (c) the CDOR contributor code of conduct required by section 23 of MI 25-102 and section 23 of OSC Rule 25-501,

   (d) past assurance reports required by sections 32 and 36 of MI 25-102 and sections 32 and 36 of OSC Rule 25-501, and

   (e) past notices and documents relating to the cessation of CDOR;

4. not enforce any contractual right with a licensee under any licence for the use of CDOR data (including Bloomberg L.P. or any affiliated entity) to remove historical CDOR data from their databases or platforms (including databases and platforms that are available to members of the public on a subscription basis); and

5. provide, within 30 days of the date of the Order, OSC staff with an electronic file in .csv format setting out all past daily publications of CDOR:

   (a) during the period from August 28, 1989 to June 28, 2024 for the 1, 2 and 3 month tenors of CDOR, and

   (b) during the period from August 28, 1989 to May 17, 2021 for the 6 and 12 month tenors of CDOR.

However, since RBSL did not become the benchmark administrator of CDOR until December 31, 2014, any data provided under paragraph 5 above for past daily publications of CDOR prior to January 1, 2015 will be provided by RBSL on an “as is” basis and will not have been verified or back-calculated by RBSL.

This undertaking shall remain in force until the earliest of (i) the OSC notifying RBSL in writing that the undertaking is no longer required or (ii) RBSL, or any person or company that is a successor to RBSL, ceasing to carry on its business.

Dated this 27th day of June, 2024.

Refinitiv Benchmark Services (UK) Limited

By: “Shirley Barrow”

Name: Shirley Barrow
Title: CEO, Refinitiv Benchmark Services (UK) Limited

B.2.2 Ontario Securities Commission – Coordinated Blanket Order 93-930

ONTARIO SECURITIES COMMISSION

COORDINATED BLANKET ORDER 93-930

Citation: Re Temporary exemptions for derivatives firms from certain obligations when transacting with certain investment funds and for senior derivatives managers from certain reporting obligations

Date: July 25, 2024

Definitions

1. Terms defined in the *Securities Act* (Ontario) (the **Act**), National Instrument 14-101 *Definitions* and National Instrument 93-101 *Derivatives: Business Conduct* (the **Business Conduct Rule**) have the same meaning in this Order.

Background

2. On September 28, 2023, the Ontario Securities Commission (the **Commission**) published the Business Conduct Rule. The Business Conduct Rule comes into force on September 28, 2024 (the **effective date**).

Certain investment funds advised or managed by registered or authorized foreign advisors or investment fund managers

3. The Business Conduct Rule uses a two-tiered framework to regulate the conduct of derivatives firms:

   (a) certain obligations as set out in subsection 8(3) apply to all transactions, whether a derivatives firm is transacting with an eligible derivatives party (an **EDP**) or a non-eligible derivatives party (a **non-EDP**) (the **core obligations**);

   (b) certain additional obligations apply only when a derivatives firm is transacting with a non-EDP (the **additional obligations**).

4. The EDP designation in this framework functions as a status test to distinguish between derivatives parties that are sufficiently sophisticated or financially resourced (i.e., EDPs), and those that are not (i.e., non-EDPs). While transactions by derivatives firms with EDPs only require adherence to the core obligations in the Business Conduct Rule, transactions with non-EDPs require adherence to both the core obligations and the additional obligations.

5. After publication of the advanced notice of adoption of the Business Conduct Rule on September 28, 2023, staff of the Commission received submissions from certain derivatives market participants that the obligations under the Business Conduct Rule risk being applied inconsistently to the same derivatives party. Specifically, certain investment funds that would qualify as EDPs under paragraph (l) of the EDP definition where they are managed or advised by a registered adviser or registered investment fund manager under the securities legislation of a jurisdiction of Canada, would be treated as non-EDPs in circumstances where they are managed or advised by an adviser or investment fund manager that is registered or authorized to carry on business under the legislation of a foreign jurisdiction, including a foreign adviser or investment fund manager registered with or authorized by the United States Securities and Exchange Commission. This inconsistency does not align with paragraph (k) of the EDP definition in the context of managed accounts, which allows a derivatives party to be considered an EDP, regardless of whether it is managed by a registered or authorized adviser under the securities legislation of a jurisdiction of Canada or a foreign equivalent adviser.

Timing of reporting responsibilities by senior derivatives managers

6. The Business Conduct Rule requires senior derivatives managers of derivatives dealers to submit the report referred to in paragraph 32(3)(a) (the **SDM Compliance Report**) in each calendar year to their board of directors (the **Board**). Since the effective date of the Business Conduct Rule is September 28, 2024, in order to be in compliance, senior derivatives managers are required to submit a SDM Compliance Report to their Board in 2024.

7. Derivatives firms that are subject to the derivatives legislation of foreign jurisdictions have reporting obligations in the foreign jurisdiction that are similar to the reporting obligations they have under the Business Conduct Rule (the **Foreign Compliance Report**).

8. Staff of the Commission received submissions from certain derivatives market participants that derivatives firms obligated to submit both Foreign Compliance Reports and SDM Compliance Reports prefer to submit both reports concurrently, for the following reasons:

   (a) the timeline for submitting a SDM Compliance Report within the 2024 calendar year does not align with established timelines and internal processes for submitting Foreign Compliance Reports in the same calendar year; and

   (b) since the SDM Compliance Report would only cover the last quarter of 2024, requiring its submission to the Board would serve limited purposes and introduce unnecessary operational burdens and complexities considering the short timeframe.

   As a result, Staff of the Commission received a request to extend the 2024 deadline to submit the SDM Compliance Report to the Board.

Exemptive Relief

9. The proposed exemptions will

   (a) ensure that investment funds managed by an investment fund manager or advised by an adviser regulated in a foreign jurisdiction have the same treatment as an investment fund managed by an investment fund manager or advised by an adviser regulated in Canada,

   (b) extend the deadline for senior derivatives managers to prepare and submit a 2024 SDM Compliance Report to the Board to the 2025 calendar year.

Order

Certain investment funds advised or managed by registered or authorized foreign advisors or investment fund managers may qualify as EDPs

10. (1) Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 143.11(2) of the Act that a derivatives firm is exempt from the provisions of the Business Conduct Rule, in relation to a transaction with a derivatives party if the derivatives party is an investment fund that is

   (a) managed by the equivalent of a registered or authorized investment fund manager under the securities legislation or under the commodities futures legislation of a foreign jurisdiction, or

   (b) advised by the equivalent of a registered or authorized adviser under the securities legislation or under the commodities futures legislation of a foreign jurisdiction,

   (2) The exemption in subsection 10(1) of this Order does not apply in respect of the following:

   (a) Division 1 [*General obligations towards all derivatives parties*] of Part 3 [*Dealing with or advising derivatives parties*];

   (b) sections 24 [*Interaction with other Instruments*] and 25 [*Segregating derivatives party assets*];

   (c) subsection 28(1) [*Content and delivery of transaction information*];

   (d) Part 5 [*Compliance and recordkeeping*].

Extended timeframe for submitting the SDM Compliance Report

11. Considering that it would not be prejudicial to the public interest to do so, the Commission orders under subsection 143.11(2) of the Act that a senior derivatives manager is exempt from the obligation under subsection 32(3) of the Business Conduct Rule to prepare and submit to the Board a SDM Compliance Report for the calendar year ending December 31, 2024, subject to all of the following conditions:

   (a) the derivatives firm is in compliance with all other applicable provisions of the Business Conduct Rule, including, for greater certainty, section 33, which sets out the obligation of a derivatives dealer to report instances of material non-compliance to the applicable regulator or securities regulatory authority;

   (b) a senior derivatives manager relying on this exemption will submit a SDM Compliance Report in the 2025 calendar year that is inclusive of the period between September 28, 2024 and December 31, 2024.

Effective Date and Term

12. This Order comes into effect on September 28, 2024.

13. In Ontario, this Order will cease to be effective on March 28, 2026.

For the Commission:

"D. Grant Vingoe"
Chief Executive Officer
Ontario Securities Commission

B.2.3 Marex Capital Markets Inc. et al. – s. 38 of the CFA

Headnote

Application for a ruling pursuant to section 38 of the Commodity Futures Act granting relief from the dealer registration requirement set out in section 22 of the CFA and the trading restrictions in section 33 of the CFA in connection with certain trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicants are acting as principal or agent in such trades to, from or on behalf of i) Permitted Clients, or ii) Specified Corporate Hedger Clients – relief subject to sunset clause.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22 and 38.

June 21, 2024

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20,
AS AMENDED
(the CFA)

AND

IN THE MATTER OF
MAREX CAPITAL MARKETS INC.,
WHITE COMMERCIAL CORPORATION,
ADVANCE TRADING INC.
AND
SWEET FUTURES 1 LLC

RULING
(Section 38 of the CFA)

UPON the application (the **Application**) of Marex Capital Markets Inc. (**Marex**), White Commercial Corporation (**White Commercial**), Advance Trading Inc. (**Advance Trading**) and Sweet Futures 1 LLC (**Sweet Futures**) (and together with Marex, White Commercial and Advance Trading, the **Applicants**) to the Ontario Securities Commission (the **Commission**) for

(a) a ruling of the Commission, pursuant to section 38 of the CFA, that the Applicants are not subject to the dealer registration requirements in the CFA (as defined below) or the trading restrictions in the CFA (as defined below) in connection with trades in Exchange-Traded Futures (as defined below) on exchanges located outside Canada **(Non-Canadian Exchanges)** where the Applicants are acting as principal or agent in such trades to, from or on behalf of i) Permitted Clients (as defined below), or ii) Specified Corporate Hedger Clients (as defined below); and

(b) a ruling of the Commission, pursuant to section 38 of the CFA, that neither a Permitted Client nor a Specified Corporate Hedger Client is subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicants act in respect of the trades in Exchange-Traded Futures on behalf of the Permitted Client and Specified Corporate Hedger Client pursuant to the above ruling;

AND WHEREAS for the purposes of this ruling (the **Decision**):

(a) the following terms shall have the following meanings

"**CEA**" means the United States *Commodity Exchange Act;*

"**CFTC**" means the United States Commodity Futures Trading Commission;

"**dealer registration requirements in the CFA**" means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;

"**Eligible Contract Participant**" means an eligible contract participant as that term is defined in Section 1a(18) of the CEA, and includes, for clarity,

(a) a person or company, other than an individual, with more than $10 million in assets, or any entity guaranteed by such entity; and

(b) an entity with a net worth of at least $1 million that is hedging commercial risk.

"**Exchange Act**" means the United States *Securities Exchange Act of 1934*;

"**Exchange-Traded Futures**" means a commodity futures contract or a commodity futures option that trades on one or more organized exchanges located outside of Canada and that is cleared through one or more clearing corporations located outside of Canada;

"**FINRA**" means the Financial Industry Regulatory Authority in the U.S.;

"**Introducing Brokers**" means White Commercial, Advance Trading and Sweet Futures, or individually an "Introducing Broker";

"**NI 31-103**" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"**NFA**" means the National Futures Association in the United States;

"**OSA Staff Notice 33-744**" means OSC Staff Notice 33-744 *Availability of registration exemptions to foreign dealers in connection with trades in options and futures contracts under the Commodity Futures Act (Ontario)*;

"**Permitted Client**" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103;

"SEC" means the United States Securities and Exchange Commission;

"**specified affiliate**" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;

"**Specified Corporate Hedger Client**" means a person or company, other than an individual, that

(a) carries on agricultural, mining, forestry, processing, manufacturing or other commercial activities and, as a necessary part of these activities, becomes exposed from time to time to a risk attendant upon fluctuations in the price of a commodity and offsets that risk through trading in futures contracts and options on futures contracts on exchanges located outside Canada;

(b) is an eligible contract participant under the U.S. CEA; and

(c) holds a license issued by the federal or provincial government (or an agency thereof) relating to agriculture or commodity production including licenses issued under *The Grains Act* (Ontario) as an Elevator Operator and/or a Dealer in Grain as issued by Agricorp, a provincial Crown corporation (or a successor organization);

"**trading restrictions in the CFA**" means the provisions of section 33 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 33 of the CFA;

"**U.S.**" means the United States of America; and

(b) terms used in this Decision that are defined in the *Securities Act* (Ontario) (**OSA**), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicants having represented to the Commission as follows:

Marex Capital Markets Inc.

1. Marex is incorporated under the laws of the state of New York in the U.S., with a head office located at 140 East 45th Street, 10th Floor, New York, NY 10017, U.S.

2. Marex is not a reporting issuer in any jurisdiction of Canada.

3. Marex is a privately held entity owned indirectly by Marex Group PLC (formerly Marex Spectron Group Limited) (**Marex**). Marex is a leading global broker whose primary business is providing clients with access to execution and clearing services in both over-the-counter and exchanged-traded markets for commodity and financial products.

4. Marex provides futures commission merchant (**FCM**) services including commodity clearing and execution services to a network of introducing broker offices as well as commercial hedgers and financial, industrial, and agricultural entities. The Applicant also provides security brokerage services.

5. Marex is a broker-dealer registered with the SEC, a member of FINRA, a registered FCM with the U.S. CFTC, and is a member of the U.S. NFA.

6. Marex is a member of major commodity futures exchanges and clearing houses, including but not limited to the Chicago Board of Trade, Chicago Mercantile Exchange and the New York Mercantile Exchange.

7. Marex is not registered in any capacity under the CFA or the OSA. Subject to the matter to which this Decision relates, Marex is (a) not in default of securities or commodity futures legislation in any jurisdiction of Canada, and (b) in compliance in all material respects with U.S. securities and commodity futures laws.

White Commercial Corporation

8. White Commercial is a company formed under the laws of Florida with a head office in Stuart, Florida.

9. Since 1971, White Commercial's primary business has been to educate and support grain businesses. White Commercial is dedicated to grain merchandising risk management and its clients include grain elevators, feedmills, and rice dryers.

10. White Commercial is a privately held entity owned directly and indirectly primarily by its three principals, Phil Luce, Brad Sellick and Sherry Lorton.

11. As part of its risk-management services, White Commercial is registered as an introducing broker with the U.S. CFTC and a member of the U.S. NFA. This registration allows White Commercial's clients to utilize futures and options on futures to hedge the risk between the buying and selling of their cash grains.

12. White Commercial is not registered with the SEC, is not a member of FINRA and does not carry on a securities business in the U.S. White Commercial is not a member of any exchanges.

13. White Commercial is not registered in any capacity under the CFA or the OSA. Subject to the matter to which this Decision relates, White Commercial is (a) not in default of securities or commodity futures legislation in any jurisdiction of Canada, and (b) in compliance in all material respects with U.S. securities and commodity futures laws.

Advance Trading Inc.

14. Advance Trading is a company formed under the laws of Illinois with a head office in Bloomington, Illinois, United States of America.

15. Since 1980, Advance Trading's primary business has been to provide risk management and market guidance to grain producers, commercial elevators, and end users including energy producers and livestock feeders.

16. Advance Trading is a privately held entity owned directly and indirectly primarily by its employees pursuant to an employee stock option plan.

17. As part of its risk management services, Advance Trading is registered as an introducing broker with the U.S. CFTC and a member of the U.S. NFA.

18. Advance Trading is not registered with the SEC, is not a member of FINRA and does not carry on a securities business in the U.S. Advance Trading is not a member of any exchanges.

19. Advance Trading is not registered in any capacity under the CFA or the OSA. Subject to the matter to which this Decision relates, Advance Trading is (a) not in default of securities or commodity futures legislation in any jurisdiction of Canada, and (b) in compliance in all material respects with U.S. securities and commodity futures laws.

Sweet Futures 1 LLC

20. Sweet Futures is a limited liability company formed under the laws of Illinois with a head office in Chicago, Illinois, United States of America.

21. Sweet Futures is an independent introducing broker that services retail, institutional and corporate clients in both listed and over-the-counter derivatives.

22. Sweet Futures is a privately held entity owned directly and indirectly primarily by its founder, Ian Sweet.

23. As part of its risk management services, Sweet Futures is registered as an introducing broker with the U.S. CFTC and a member of the U.S. NFA.

24. Sweet Futures is not registered with the SEC, is not a member of FINRA and does not carry on a securities business in the U.S. Sweet Futures is not a member of any exchanges.

25. Sweet Futures is not registered in any capacity under the CFA or the OSA. Subject to the matter to which this Decision relates, Sweet Futures is (a) not in default of securities or commodity futures legislation in any jurisdiction of Canada, and (b) in compliance in all material respects with U.S. securities and commodity futures laws.

Background to the Application for relief

26. On December 2, 2019 the Commission made a ruling (the **2019 Ruling**), pursuant to section 38 of the CFA, that Marex North America LLC (**Marex North America**), White Commercial, Advance Trading and Sweet Futures (collectively, the **2019 Applicants**) are not subject to the dealer registration requirements set out in section 22 of the CFA and the trading restrictions in section 33 of the CFA in connection with certain trades in exchange-traded futures on non-Canadian exchanges where the 2019 Applicants are acting as principal or agent in such trades to, from or on behalf of i) Permitted Clients (as defined in NI 31-103) or ii) Specified Corporate Hedger Clients (as defined in the 2019 Ruling).

27. On February 13, 2020 the Commission made a ruling (the **2020 ED&F Man Ruling**), under which the predecessor to Marex Capital Markets received an exemption similar to the relief sought in order to provide FCM services to Permitted Clients but not to Specified Corporate Hedger Clients.

28. The 2019 Applicants provided FCM services, in the case of Marex North America, and introducing broker services, in the case of the Introducing Brokers, to certain non-individual clients in Ontario that are either Permitted Clients or Specified Corporate Hedger Clients in reliance on the 2019 Ruling.

29. At the end of December 2022, Marex completed the acquisition of ED&F Man Capital Markets (**ED&F**), the financial division of ED&F Man Group (the **ED&F Acquisition**). Through the acquisition of ED&F, Marex gained 420 employees across the globe, materially enhancing Marex's client offering and capabilities to serve clients. In connection with the ED&F Acquisition, Marex changed the name of ED&F to Marex Capital Markets Inc.

30. Following the ED&F Acquisition on July 13, 2023, Marex consolidated all of the group's US futures activity by transferring all accounts previously carried by Marex North America to Marex. Notwithstanding the consolidation of accounts under Marex, clients of Marex previously receiving services through Marex North America continue to deal with the same personnel and under the same emails, addresses and phone numbers as before but with Marex.

31. With regard to the account transfers of Marex North America's Ontario-domiciled clients, these accounts were transferred to Marex.

32. Marex acknowledges that it is not a party to the 2019 Ruling and that therefore it may not be able to benefit automatically from the exemptive relief granted by the 2019 Ruling. Accordingly, in the present application, Marex is seeking exemptive relief so that Marex and any individuals engaging in, or holding themselves out as engaging in, the business of trading on Marex's behalf be exempt from the dealer registration requirement and the trading restrictions under the CFA, subject to the same terms and conditions as were set out in the 2019 Ruling.

33. Although the Introducing Brokers may be able to continue to benefit from the exemptive relief granted by the 2019 Ruling, the Introducing Brokers are seeking that the relief be restated in the Decision in the interest of simplicity and transparency.

The Specified Corporate Hedger Clients

34. As was the case with the 2019 Ruling, the Specified Corporate Hedger Clients

    (a) carry on agricultural, mining, forestry, processing, manufacturing or other commercial activities and, as a necessary part of these activities, become exposed from time to time to a risk attendant upon fluctuations in the price of a commodity and offset that risk through trading in futures contracts and options on futures contracts on exchanges located outside Canada;

    (b) are eligible contract participants under the U.S. CEA; and

    (c) hold a license issued by the federal or provincial government (or an agency thereof) relating to agriculture or commodity production including licenses issued under *The Grains Act* (Ontario) as an Elevator Operator and/or a Dealer in Grain as issued by Agricorp, a provincial Crown corporation (or a successor organization).

35. As set out in the conditions to this Decision, the Applicants will

    (a) take reasonable steps to confirm that the customer is a *bona fide* hedger for such trading activities and shall not solely rely on a customer's self-certification of its hedger status; and

    (b) as part of its account-opening procedures, require clients resident in Ontario to represent the following: i) it is a Specified Corporate Hedger Client; ii) it acknowledges that this representation is deemed to be repeated by it each time it enters an order for an Exchange-Traded Futures and that the customer must be a Specified Corporate Hedger Client for the purposes of each trade resulting from such an order; iii) it is only seeking to trade in Exchange-Traded Futures on Non-Canadian Exchanges; iv) the client agrees to notify the Applicants if it ceases to be a Specified Corporate Hedger Client; and v) the client represents that it will only enter orders for its own account.

36. Marex has post-trade surveillance procedures in place to ensure that the Specified Corporate Hedger Clients trading in Exchange-Traded Futures are for hedging purposes and not for speculation.

37. Marex on behalf of itself and the Introducing Brokers will maintain books and records specifying the following:

    (a) Particulars of the dealer and any individual acting on its behalf that traded with a Specified Corporate Hedger Client;

    (b) Particulars of the Specified Corporate Hedger Client;

    (c) Annual cumulative trading data for the Specified Corporate Hedger Client; and

    (d) A signed statement from the Specified Corporate Hedger Client confirming that it meets the definition of Specified Corporate Hedger Client and has entered into the futures trades solely for the purposes of hedging.

38. In the interest of not disrupting existing trading relationships with the Specified Corporate Hedger Clients, and in view of these additional steps being taken in respect of Specified Corporate Hedger Clients, Marex requests that the present relief from the dealer registration requirement be extended to include providing FCM services to Specified Corporate Hedger Clients.

Current authorizations of the Applicants under the U.S. CEA

39. Pursuant to its registrations and memberships, Marex is authorized to handle customer orders and receive and hold customer margin deposits, and otherwise act as a futures broker, in the United States. Rules of the U.S. CFTC and U.S. NFA require Marex to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, and comply with other forms of customer protection rules, including rules respecting: know-your-customer obligations, account-opening requirements, anti-money laundering checks, credit checks, delivery of confirmation statements, clearing deposits and initial and maintenance margins. These rules require Marex to treat Permitted Clients and Specified Corporate Hedger Clients consistently with Marex's U.S. customers with respect to transactions made on U.S. exchanges. With respect to transactions made on U.S. exchanges, in order to protect customers in the event of the insolvency or financial instability of Marex, Marex is required to ensure that customer securities and monies be separately accounted for, segregated at all times from the securities and monies of Marex and custodied exclusively with such banks, trust companies, clearing organizations or other licensed futures brokers and intermediaries as may be approved for such purposes under the U.S. CEA and the rules promulgated by the U.S. CFTC thereunder (collectively, the **Marex Approved Depositories**). Marex is further required to obtain acknowledgements from any Marex Approved Depository holding customer funds or securities related to U.S.-based transactions or accounts that such funds and securities are to be separately held on behalf of such customers, with no right of set-off against Marex's obligations or debts.

40. Pursuant to its registrations and memberships, each of the Introducing Brokers is authorized to introduce customers to an executing broker registered as a futures commission merchant, and otherwise act as an introducing broker in the United States. Rules of the U.S. CFTC and U.S. NFA require the Introducing Brokers to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, and comply with other forms of customer protection rules, including rules respecting: know-your-customer obligations, client identification and account-opening requirements, anti-money laundering checks, dealing and handling customer order obligations including managing conflicts of interests and best execution rules. These rules require the Introducing Brokers to treat Permitted Clients and Specified Corporate Hedger Clients consistently with the Introducing Brokers' U.S. customers with respect to transactions made on exchanges in the U.S. In respect of Exchange-Traded Futures, none of the Introducing Brokers provide direct execution or clearing services and are not authorized to receive or hold client money in any jurisdiction.

41. The Applicants propose to offer their Permitted Clients and Specified Corporate Hedger Clients in Ontario the ability to trade in Exchange-Traded Futures through Marex, in its capacity as FCM, and the Introducing Brokers, as an introducing broker to Marex.

42. Each of the Introducing Brokers will introduce Exchange-Traded Futures customers, and Marex will execute and clear such trades on behalf of Permitted Clients and Specified Corporate Hedger Clients in Ontario, in the same manner that it introduces or executes and clears trades on behalf of its U.S. clients. Each of the Applicants will follow the same know-your-customer and segregation of assets procedures, or in the case of the applicable Introducing Broker, order handling procedures, that it follows in respect of its U.S. clients. Permitted Clients and Specified Corporate Hedger Clients will be afforded the benefits of compliance by the Applicants with the requirements of the CEA and the regulations thereunder, and the Exchange Act and the regulations thereunder. Permitted Clients and Specified Corporate Hedger Clients in Ontario will have the same contractual rights against the Applicants as U.S. clients of the Applicants.

43. The Applicants will not maintain an office, sales force or physical place of business in Ontario.

44. The Applicants will solicit trades in Exchange-Traded Futures in Ontario only from persons who qualify as Permitted Clients or Specified Corporate Hedger Clients.

45. Permitted Clients and Specified Corporate Hedger Clients of the Applicants will only be offered the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.

46. The Exchange-Traded Futures to be traded by Permitted Clients and Specified Corporate Hedger Clients will include, but will not be limited to, Exchange-Traded Futures for equity indices, interest rate, energy, currency, bond, agricultural and other commodity products.

47. Permitted Clients and Specified Corporate Hedger Clients of the Applicants will be able to submit orders and execute Exchange-Traded Futures orders by contacting the Introducing Brokers' client order handling desk, through Marex's global execution desk or by submitting orders electronically via Marex's proprietary electronic order routing system. Permitted Clients and Specified Corporate Hedger Clients may also be able to self-execute Exchange-Traded Futures orders electronically via an independent service vendor and/or other electronic trading routing. Permitted Clients and Specified Corporate Hedger Clients may also be able to execute Exchange-Traded Futures orders through third party brokers and then "give up" the transaction for clearance through Marex.

48. Marex may execute a Permitted Client's and Specified Corporate Hedger Client's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. Marex will remain responsible for all executions when Marex is listed as the executing broker of record on the relevant Non-Canadian Exchange.

49. Marex may perform both execution and clearing functions for trades in Exchange-Traded Futures or may direct that a trade executed by it be cleared through a carrying broker if Marex is not a clearing member of the Non-Canadian Exchange on which the trade is executed. Alternatively, the Permitted Client or the Specified Corporate Hedger Client will be able to direct that trades executed by Marex be cleared through clearing brokers not affiliated with Marex (each a **Non-Marex Clearing Broker**).

50. If Marex performs only the execution of a Permitted Client's or Specified Corporate Hedger Client's Exchange-Traded Futures order and "gives-up" the transaction for clearance to a Non-Marex Clearing Broker, such clearing broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under the CFA as applicable. Each such Non-Marex Clearing Broker will represent to Marex, in an industry-standard give-up agreement, that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's or Specified Corporate Hedger Client's Exchange-Traded Futures order will be executed and cleared. Marex will not enter into a give-up agreement with any Non-Marex Clearing Broker located in the United States unless such clearing broker is registered with the CFTC and is registered or has obtained an exemption from the dealer registration requirement from the Commission.

51. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client and Specified Corporate Hedger Client orders that are submitted to the exchange in the name of the Non-Marex Clearing Broker or Marex or, on exchanges where Marex is not a member, in the name of another carrying broker. The Permitted Clients and the Specified Corporate Hedger Clients are responsible to Marex for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and Marex, the carrying broker or the Non-Marex Clearing Broker is in turn responsible to the clearing corporation/division for payment.

52. Permitted Clients and Specified Corporate Hedger Clients that direct Marex to give-up transactions in Exchange-Traded Futures for clearance and settlement by Non-Marex Clearing Brokers will execute the give-up agreements described above.

53. Permitted Clients and Specified Corporate Hedger Clients will pay commissions for trades to the Applicants or the Non-Marex Clearing Broker, or such commissions may be shared by the Applicants with the Non-Marex Clearing Broker.

54. The trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.

55. If each of the Applicants were registered under the CFA as a "futures commission merchant", they could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest to do so;

IT IS RULED pursuant to section 38 of the CFA, that the Applicants are not subject to the dealer registration requirements set out in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures where the Applicants are acting as principal or agent in such trades to, from or on behalf of Permitted Clients and Specified Corporate Hedger Clients provided that:

(a) each client effecting trades in Exchange-Traded Futures is a Permitted Client or a Specified Corporate Hedger Client;

(b) any Non-Marex Clearing Broker has represented and covenanted to Marex, and Marex has taken reasonable steps to verify, that it is appropriately registered under the CFA, is entitled to rely on an exemption under the CFA, or has been granted exemptive relief from the registration requirements in the CFA, in connection with the Permitted Client or Specified Corporate Hedger Client effecting Futures Trades;

(c) the Applicants only introduce, in the case of the Introducing Brokers, and execute and clear, in the case of Marex, trades in Exchange-Traded Futures for Permitted Clients and Specified Corporate Hedger Clients on Non-Canadian Exchanges;

(d) at the time trading activity is engaged in, Marex:

(i) has its head office or principal place of business in the U.S.;

(ii) is registered as an FCM with the U.S. CFTC;

(iii) is a member firm of the U.S. NFA; and

(iv) engages in the business of an FCM in Exchange-Traded Futures in the U.S.;

(e) at the time trading activity is engaged in, each of the Introducing Brokers:

(i) has its head office or principal place of business in the U.S.;

(ii) is registered as an Introducing Broker with the U.S. CFTC;

(iii) is a member firm of the U.S. NFA; and

(iv) engages in the business of an introducing broker in Exchange-Traded Futures in the U.S.

(f) each of the Applicants has provided to the Permitted Client or the Specified Corporate Hedger Client the following disclosure (**Client Disclosure Document**) in writing:

(i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures as principal or agent;

(ii) a statement that the Applicant's head office or principal place of business is located in the U.S.;

(iii) a statement that all or substantially all of the Applicant's assets may be situated outside of Canada;

(iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above;

(v) the name and address of the Applicant's agent for service of process in Ontario; and

(vi) that any trading in the Exchange-Traded Futures with the Applicant are not protected by any investor protection scheme including the Canadian Investor Protection Fund or US Securities Investor Protection Corporation;

(g) the Applicants have submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A" hereto;

(h) if Marex does not rely on the international dealer exemption in section 8.18 of NI 31-103, by December 31st of each year, Marex shall pay a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 *Fees* as if Marex relied on the international dealer exemption;

(i) if the applicable Introducing Broker does not rely on the international dealer exemption in section 8.18 of NI 31-103, by December 31st of each year, the applicable Introducing Broker shall pay a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 Fees as if the applicable Introducing Broker relied on the international dealer exemption;

(j) by December 1st of each year, each Applicant shall notify the Commission of its continued reliance on the exemption from the dealer registration requirement granted pursuant to this Decision by filing Form 13-502F4 *Capital Markets Participation Fee Calculation*;

(k) with regards to the Specified Corporate Hedger Clients, the Applicants shall:

(i) take reasonable steps to confirm that the customer is a *bona fide* hedger for such trading activities and shall not solely rely on a customer's self-certification of its hedger status;

(ii) as part of its account-opening procedures, require clients resident in Ontario to represent the following: a) it is a Specified Corporate Hedger Client; b) it acknowledges that this representation is deemed to be repeated by it each time it enters an order for an Exchange-Traded Futures and that the customer must be a Specified Corporate Hedger Client for the purposes of each trade resulting from such an order; c) it is only seeking to trade in Exchange-Traded Futures on Non-Canadian Exchanges; d) the client agrees to notify the Applicants if it ceases to be a Specified Corporate Hedger Client; and e) the client represents that it will only enter orders for its own account; and

(iii) maintain the books and records as specified in representation 37 hereof;

(l) this Decision will terminate on the earliest of:

(i) the expiry of any transition period as may be provided by operation of law, after the effective date of the repeal of the CFA;

(ii) six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Ontario commodity futures law or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and

(iii) five years after the date of this Decision.

AND IT IS FURTHER RULED, pursuant to section 38 of the CFA, that neither a Permitted Client nor a Specified Corporate Hedger Client is subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicants acts in connection with trades in Exchange-Traded Futures on behalf of the Permitted Clients and Specified Corporate Hedger Clients pursuant to the above ruling.

AND IT IS FURTHER RULED that the 2020 ED&F Man Ruling is hereby revoked.

Date: June 21, 2024

"Dena Staikos"
Manager, Registration, Inspections & Examinations
Ontario Securities Commission

OSC File #: 2023/0643

APPENDIX A

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE *COMMODITY FUTURES ACT*, ONTARIO

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:

   E-mail address:

   Phone:

   Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "Agent for Service"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ *[Insert name of International Firm]* under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

B.2.4 Brookfield Corporation – s. 6.1 of NI 62-104

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to up to 4,000,000 of its class A limited voting shares from its paired entity in connection with the establishment by the paired entity of an escrowed stock plan – the consideration that will be paid by the issuer for its class A limited voting shares will be the exchangeable shares of the paired entity, on a one-for-one basis – holders of the issuer's class A limited voting shares recently had the opportunity to receive the same consideration for their class A limited voting shares as the paired entity will be receiving under the transaction pursuant to an offer made by the paired entity to holders of the class A limited voting shares to exchange class A limited voting shares for exchangeable shares, on a one-for-one basis – the proposed repurchases represent 0.24% of the issued and outstanding class A limited voting shares – the paired entity's escrowed stock plan was approved by the issuer's shareholders and the issuer's management information circular disclosed that the paired entity may acquire the exchangeable shares that were acquired by the issuer upon exchanges of such exchangeable shares by their holders – requested relief granted, subject to conditions.

Statutes Cited

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

IN THE MATTER OF
THE *SECURITIES ACT*,
R.S.O. 1990, c.S.5,
AS AMENDED

AND

IN THE MATTER OF
BROOKFIELD CORPORATION

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Brookfield Corporation (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases, from time to time, by the Issuer of up to an aggregate of 4,000,000 BNRE Owned BN Shares (as defined below) from Brookfield Reinsurance Ltd. ("**BNRE**") in exchange for Exchanged Shares (as defined below) on the basis of one Exchanged Share for each BNRE Owned BN Share, in connection with the Escrowed Stock Plan (as defined below) (such purchases, the "**BN Acquisitions**", and such exemption, the "**Requested Relief**");

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is a corporation existing and in good standing under the *Business Corporations Act* (Ontario).

2. The Issuer's registered and head office is located at Suite 100, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

3. The Issuer is a reporting issuer in all of the provinces and territories of Canada and is not in default of any requirement of securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Issuer consists of:

   (a) an unlimited number of class A limited voting shares (the "**BN Class A Shares**"), of which there were 1,642,086,272 BN Class A Shares issued and outstanding as of April 18, 2024;

   (b) 85,120 class B limited voting shares, of which there were 85,120 class B limited voting shares issued and outstanding as of April 18, 2024; and

   (c) an unlimited number of preference shares designated as class A preference shares (issuable in series), of which the following were issued and outstanding as of March 4, 2024:

      (i) 10,220,175 Class A Preference Shares, Series 2;

      (ii) 3,983,910 Class A Preference Shares, Series 4;

(iii) 8,792,596 Class A Preference Shares, Series 13;

(iv) 7,840,204 Class A Preference Shares, Series 17;

(v) 7,681,088 Class A Preference Shares, Series 18;

(vi) 10,808,027 Class A Preference Shares, Series 24;

(vii) 9,770,928 Class A Preference Shares, Series 26;

(viii) 9,233,927 Class A Preference Shares, Series 28;

(ix) 9,787,090 Class A Preference Shares, Series 30;

(x) 11,750,299 Class A Preference Shares, Series 32;

(xi) 9,876,735 Class A Preference Shares, Series 34;

(xii) 7,842,909 Class A Preference Shares, Series 36;

(xiii) 7,830,091 Class A Preference Shares, Series 37;

(xiv) 7,906,132 Class A Preference Shares, Series 38;

(xv) 11,841,025 Class A Preference Shares, Series 40;

(xvi) 11,887,500 Class A Preference Shares, Series 42;

(xvii) 9,831,929 Class A Preference Shares, Series 44;

(xviii) 11,740,797 Class A Preference Shares, Series 46;

(xix) 11,885,972 Class A Preference Shares, Series 48;

(xx) 3,320,486 Class A Preference Shares, Series 51; and

(xxi) 1,177,580 Class A Preference Shares, Series 52.

5. The BN Class A Shares are listed on the New York Stock Exchange ("**NYSE**") and the Toronto Stock Exchange ("**TSX**") under the symbol "BN".

6. BNRE is an exempted company limited by shares established, registered and in good standing under the laws of Bermuda.

7. The registered and head office of BNRE is located at Ideation House, 1st Floor, 94 Pitts Bay Road, Pembroke HM08, Bermuda.

8. BNRE is a reporting issuer in all of the provinces and territories of Canada and is an SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("**NI 71-102**") and satisfies its continuous disclosure obligations by complying with U.S. federal securities laws as is permitted under NI 71-102. BNRE is not in default of any requirement of securities legislation in the jurisdictions in which it is a reporting issuer.

9. The authorized share capital of BNRE consists of:

(a) 1,000,000,000 class A exchangeable limited voting shares (the "**Class A Exchangeable Shares**"), of which there were 16,899,571 Class A Exchangeable Shares issued and outstanding as of June 14, 2024;

(b) 500,000,000 class A-1 exchangeable non-voting shares (the "**Class A-1 Exchangeable Shares**", and together with Class A Exchangeable Shares, the "**Exchangeable Shares**"), of which there were 26,505,771 Class A-1 Exchangeable Shares issued and outstanding as of June 14, 2024;

(c) 500,000 class B limited voting shares, of which there were 24,000 class B limited voting shares issued and outstanding as of June 14, 2024;

(d) 1,000,000,000 class C non-voting shares, of which there were 128,643,406 class C non-voting shares issued and outstanding as of May 31, 2024;

(e) 1,000,000,000 class A junior preferred shares (issuable in series), of which there were 98,351,547 class A junior preferred shares, series 1, and 2,108,733 class A junior preferred shares, series 2 issued and outstanding, in each case, as of May 31, 2024;

(f) 1,000,000,000 class B junior preferred shares (issuable in series), of which there were no class B junior preferred shares issued and outstanding as of May 31, 2024;

(g) 100,000,000 class A senior preferred shares (issuable in series), of which there were no class A senior preferred shares issued and outstanding as of May 31, 2024; and

(h) 100,000,000 class B senior preferred shares (issuable in series), of which there were no class B senior preferred shares issued and outstanding as of May 31, 2024.

10. The Class A Exchangeable Shares and the Class A-1 Exchangeable Shares are listed on the NYSE and the TSX under the symbols "BNRE" and "BNRE.A", respectively. The Exchangeable Shares are the only securities of BNRE that are listed for trading on any published market.

11. The class C non-voting shares are the only equity securities of BNRE (within the meaning of NI 62-104) and are all beneficially owned, directly or indirectly, by the Issuer.

12. Each Class A-1 Exchangeable Share is convertible into one Class A Exchangeable Share.

13. Each Exchangeable Share is the economic equivalent of a BN Class A Share, and each Exchangeable Share is exchangeable with the Issuer at the option of the holder of the Exchangeable Share for one newly issued BN Class A Share or its cash equivalent (the form of payment to be determined at the election of the Issuer). As of July 22, 2024, all exchanges of Exchangeable Shares have been satisfied through the delivery of BN Class A Shares (each such exchanged Exchangeable Share, an "**Exchanged Share**").

14. It is not the intention of either the Issuer or BNRE that the Issuer hold Exchangeable Shares on an ongoing basis. Accordingly, following exchanges of Exchangeable Shares, the Issuer has sought to dispose of Exchanged Shares in a manner that is not disruptive to the share price, volume or liquidity of the Exchangeable Shares, which has resulted in the Issuer: (a) converting Exchanged Shares into BNRE's class C non-voting shares, resulting in the cancellation of those Exchanged Shares; or (b) transferring the Exchanged Shares pursuant to private sales or to companies established for the purposes of the Issuer's escrowed stock plan ("**BN ESPCos**"), an equity compensation arrangement for the Issuer's executives.

15. The Issuer is not an "insider" of BNRE (as such term is defined in the *Securities Act* (Ontario)) or a "related party" of BNRE (within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*).

16. BNRE has determined to establish a new share compensation arrangement (the "**Escrowed Stock Plan**") for certain designated executives or other persons designated by BNRE's board of directors (such persons, the "**Participants**").

17. Pursuant to the Escrowed Stock Plan:

(a) from time to time, BNRE will form one or more private companies (each an "**ESPCo**") that is capitalized with common shares and preferred shares that are issued by the ESPCo to BNRE;

(b) the ESPCo will directly or indirectly acquire (i) Exchangeable Shares in the open market pursuant to a normal course issuer bid established by BNRE, or (ii) Exchanged Shares from the Issuer and related companies pursuant to BN Acquisitions;

(c) Participants will be awarded with non-voting shares of an ESPCo (the "**Escrowed Shares**") or provided an election to contribute Exchangeable Shares or other Escrowed Shares as consideration for the Escrowed Shares;

(d) Escrowed Shares are generally expected to vest as to 20% each year over five (5) years from the grant date, subject to the Participant's continued employment with BNRE, the Issuer or its affiliates;

(e) following the vesting date of the Escrowed Shares, generally up to a maximum of 10 years following the initial grant date, Participants will be entitled to exchange their respective Escrowed Shares for Exchangeable Shares issued by BNRE from treasury. The value of the Exchangeable Shares to be issued by BNRE will be equal to the increase in value of the Exchangeable Shares held by the ESPCo since the grant date of the Escrowed Shares, based on the volume-weighted average price of the Exchangeable Shares on the NYSE on the date of the exchange; and

(f) following the exchange of Escrowed Shares for newly issued Exchangeable Shares, a corresponding number of Exchangeable Shares will be cancelled by BNRE, resulting in no net dilution to existing BNRE shareholders.

18. A maximum of 4,000,000 Exchangeable Shares may be issued under the Escrowed Stock Plan.

19. BNRE holds 32,934,574 BN Class A Shares (the "**BNRE Owned BN Shares**") as a result of an offer by BNRE to holders of BN Class A Shares to exchange up to 40,000,000 BN Class A Shares for Class A-1 Exchangeable Shares, on a one-for-one basis, pursuant to a short form prospectus dated November 1, 2023.

20. BNRE wishes to use up to 4,000,000 BNRE Owned BN Shares as consideration for the purchase of up to 4,000,000 Exchanged Shares to establish the Escrowed Stock Plan.

21. The Issuer and its related companies wish to sell up to 4,000,000 Exchanged Shares to BNRE to facilitate BNRE's establishment of the Escrowed Stock Plan in exchange for BNRE Owned BN Shares on the basis of one Exchanged Share for each BNRE Owned BN Share.

22. The BN Acquisitions are subject to approval by the board of directors of the Issuer (the "**Board**").

23. The BN Acquisitions constitute "issuer bids" by the Issuer for the purposes of NI 62-104 to which the Issuer Bid Requirements would apply.

24. The 4,000,000 BNRE Owned BN Shares represent approximately 0.24% of the BN Class A Shares issued and outstanding as at April 18, 2024.

25. BN Class A Shares acquired pursuant to the BN Acquisitions will either be cancelled or retained by a BN ESPCo, depending on whether the corresponding Exchanged Share was held by the Issuer or a BN ESPCo. None of the BN Class A Shares held by a BN ESPCo will be voted.

26. The BN Acquisitions will not adversely affect the Issuer or its shareholders.

27. The Escrowed Stock Plan received the requisite shareholder approval at BNRE's annual general and special meeting of shareholders that was held on July 22, 2024.

28. Given the economic equivalence of the Exchangeable Shares to BN Class A Shares, and the fact that Exchangeable Shares are exchangeable on a one-for-one basis for BN Class A Shares, the adoption of the Escrowed Stock Plan is conditional on its approval by (i) the Board, and (ii) the Issuer's shareholders at a duly called meeting of shareholders. The Board approved the adoption of the Escrowed Stock Plan on March 25, 2024 and the Escrowed Stock Plan received the requisite shareholder approval at the Issuer's annual general and special meeting of shareholders that was held on June 7, 2024.

29. The Issuer and BNRE will not complete BN Acquisitions at any time that either of them is aware of any "material change" or "material fact" (each as defined in the *Securities Act* (Ontario)) in respect of the Issuer, BNRE, the Exchangeable Shares, or the BN Class A Shares that has not been generally disclosed.

30. Other than the Exchanged Shares, no fee or other consideration will be paid by the Issuer in connection with the purchase of BNRE Owned BN Shares.

31. A press release announcing receipt of the Requested Relief will be issued and filed prior to the completion of the first BN Acquisition.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in connection with the BN Acquisitions, provided that:

(a) at the time of the BN Acquisitions, neither the Issuer nor BNRE is aware of any "material change" or "material fact" (each as defined in the *Securities Act* (Ontario)) in respect of the Issuer, BNRE, the Exchangeable Shares, or the BN Class A Shares that has not been generally disclosed; and

(b) other than the Exchanged Shares, no fee or other consideration will be paid by the Issuer in connection with the purchase of BNRE Owned BN Shares.

DATED at Toronto, Ontario this 22nd day of July, 2024.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

B.2.5 Brookfield Reinsurance Ltd. – s. 6.1 of NI 62-104

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to up to 4,000,000 of its exchangeable shares from its paired entity in connection with the establishment of its escrowed stock plan – the issuer's exchangeable shares are exchangeable into shares of the paired entity – the consideration that will be paid by the issuer for its exchangeable shares will be the shares of the paired entity into which the exchangeable shares are exchangeable, on a one-for-one basis – the escrowed stock plan was approved by a majority of the votes cast by holders of exchangeable shares and the issuer's class B limited voting shares at a duly called meeting of shareholders – the issuer's management information circular in respect of the shareholder meeting disclosed that the issuer had applied for the relief and described the nature of the relief – requested relief granted, subject to conditions.

Statutes Cited

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1

IN THE MATTER OF
THE *SECURITIES ACT*,
R.S.O. 1990, c.S.5,
AS AMENDED

AND

IN THE MATTER OF
BROOKFIELD REINSURANCE LTD.

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Brookfield Reinsurance Ltd. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases, from time to time, by the Issuer of up to an aggregate of 4,000,000 Exchanged Shares (as defined below) from Brookfield Corporation ("**BN**") and related companies (collectively, the "**BN Entities**") in exchange for BNRE Owned BN Shares (as defined below) on the basis of one BNRE Owned BN Share for each Exchanged Share, in connection with the Escrowed Stock Plan (as defined below) (such purchases, the "**Proposed Purchases**", and such exemption, the "**Requested Relief**");

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is an exempted company limited by shares, established, registered and in good standing under the laws of Bermuda. The Issuer's registered and head office is located at Ideation House, 1st Floor, 94 Pitts Bay Road, Pembroke HM08, Bermuda.

2. The Issuer is a reporting issuer in all of the provinces and territories of Canada and is an SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("**NI 71-102**") and satisfies its continuous disclosure obligations by complying with U.S. federal securities laws as is permitted under NI 71-102. The Issuer is not in default of any requirement of securities legislation in the jurisdictions in which it is a reporting issuer.

3. The authorized share capital of the Issuer consists of:

   (a) 1,000,000,000 class A exchangeable limited voting shares (the "**Class A Exchangeable Shares**"), of which there were 16,899,571 Class A Exchangeable Shares issued and outstanding as of June 14, 2024;

   (b) 500,000,000 class A-1 exchangeable non-voting shares (the "**Class A-1 Exchangeable Shares**", and together with Class A Exchangeable Shares, the "**Exchangeable Shares**"), of which there were 26,505,771 Class A-1 Exchangeable Shares issued and outstanding as of June 14, 2024;

   (c) 500,000 class B limited voting shares, of which there were 24,000 class B limited voting shares issued and outstanding as of June 14, 2024;

(d) 1,000,000,000 class C non-voting shares, of which there were 128,643,406 class C non-voting shares issued and outstanding as of May 31, 2024;

(e) 1,000,000,000 class A junior preferred shares (issuable in series), of which there were 98,351,547 class A junior preferred shares, series 1, and 2,108,733 class A junior preferred shares, series 2 issued and outstanding, in each case, as of May 31, 2024;

(f) 1,000,000,000 class B junior preferred shares (issuable in series), of which there were no class B junior preferred shares issued and outstanding as of May 31, 2024;

(g) 100,000,000 class A senior preferred shares (issuable in series), of which there were no class A senior preferred shares issued and outstanding as of May 31, 2024; and

(h) 100,000,000 class B senior preferred shares (issuable in series), of which there were no class B senior preferred shares issued and outstanding as of May 31, 2024.

4. The Class A Exchangeable Shares and the Class A-1 Exchangeable Shares are listed on the New York Stock Exchange ("**NYSE**") and the Toronto Stock Exchange ("**TSX**") under the symbols "BNRE" and "BNRE.A", respectively. The Exchangeable Shares are the only securities of the Issuer that are listed for trading on any published market.

5. The class C non-voting shares are the only equity securities of the Issuer (within the meaning of NI 62-104) and are all beneficially owned, directly or indirectly, by BN.

6. BN is a corporation existing and in good standing under the *Business Corporations Act* (Ontario). BN's registered and head office is located at Suite 100, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

7. BN is a reporting issuer in all of the provinces and territories of Canada and is not in default of any requirement of securities legislation in the jurisdictions in which it is a reporting issuer.

8. The authorized capital of BN consists of:

(a) an unlimited number of class A limited voting shares (the "**BN Class A Shares**"), of which there were 1,642,086,272 BN Class A Shares issued and outstanding as of April 18, 2024;

(b) 85,120 class B limited voting shares, of which there were 85,120 class B limited voting shares issued and outstanding as of April 18, 2024; and

(c) an unlimited number of preference shares designated as class A preference shares (issuable in series), of which the following were issued and outstanding as of March 4, 2024:

(i) 10,220,175 Class A Preference Shares, Series 2;

(ii) 3,983,910 Class A Preference Shares, Series 4;

(iii) 8,792,596 Class A Preference Shares, Series 13;

(iv) 7,840,204 Class A Preference Shares, Series 17;

(v) 7,681,088 Class A Preference Shares, Series 18;

(vi) 10,808,027 Class A Preference Shares, Series 24;

(vii) 9,770,928 Class A Preference Shares, Series 26;

(viii) 9,233,927 Class A Preference Shares, Series 28;

(ix) 9,787,090 Class A Preference Shares, Series 30;

(x) 11,750,299 Class A Preference Shares, Series 32;

(xi) 9,876,735 Class A Preference Shares, Series 34;

(xii) 7,842,909 Class A Preference Shares, Series 36;

(xiii) 7,830,091 Class A Preference Shares, Series 37;

(xiv) 7,906,132 Class A Preference Shares, Series 38;

(xv) 11,841,025 Class A Preference Shares, Series 40;

(xvi) 11,887,500 Class A Preference Shares, Series 42;

(xvii) 9,831,929 Class A Preference Shares, Series 44;

(xviii) 11,740,797 Class A Preference Shares, Series 46;

(xix) 11,885,972 Class A Preference Shares, Series 48;

(xx) 3,320,486 Class A Preference Shares, Series 51; and

(xxi) 1,177,580 Class A Preference Shares, Series 52.

9. The BN Class A Shares are listed on the NYSE and the TSX under the symbol "BN".

10. Each Class A-1 Exchangeable Share is convertible into one Class A Exchangeable Share.

11. Each Exchangeable Share is the economic equivalent of a BN Class A Share, and each Exchangeable Share is exchangeable with BN at the option of the holder of the Exchangeable Share for one newly issued BN Class A Share or its cash equivalent (the form of payment to be determined at the election of BN). As of July 22, 2024, all exchanges of Exchangeable Shares have been satisfied through the delivery of BN Class A Shares (each such exchanged Exchangeable Share, an "**Exchanged Share**").

12. It is not the intention of either the Issuer or BN that BN hold Exchangeable Shares on an ongoing basis. Accordingly, following exchanges of Exchangeable Shares, BN has sought to dispose of Exchanged Shares in a manner that is not disruptive to the share price, volume or liquidity of the Exchangeable Shares, which has resulted in BN: (a) converting Exchanged Shares into the Issuer's class C non-voting shares, resulting in the cancellation of those Exchanged Shares; or (b) transferring the Exchanged Shares pursuant to private sales or to companies established for the purposes of BN's escrowed stock plan ("**BN ESPCos**"), an equity compensation arrangement for BN's executives.

13. BN is not an "insider" of the Issuer (as such term is defined in the *Securities Act* (Ontario)) or a "related party" of the Issuer (within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*).

14. The Issuer has determined to establish a new share compensation arrangement (the "**Escrowed Stock Plan**") for certain designated executives or other persons designated by the Issuer's board of directors (the "**Board**", and such persons, the "**Participants**") to further align the interests of the Participants with those of the Issuer's shareholders in a manner that is less dilutive than alternative long term ownership plans.

15. Pursuant to the Escrowed Stock Plan:

(a) from time to time, the Issuer will form one or more private companies (each an "**ESPCo**") that is capitalized with common shares and preferred shares that are issued by the ESPCo to the Issuer;

(b) the ESPCo will directly or indirectly acquire (i) Exchangeable Shares in the open market pursuant to a normal course issuer bid established by the Issuer, or (ii) Exchanged Shares from BN Entities pursuant to Proposed Purchases;

(c) Participants will be awarded with non-voting shares of an ESPCo (the "**Escrowed Shares**") or provided an election to contribute Exchangeable Shares or other Escrowed Shares as consideration for the Escrowed Shares;

(d) Escrowed Shares are generally expected to vest as to 20% each year over five (5) years from the grant date, subject to the Participant's continued employment with the Issuer or BN Entities;

(e) following the vesting date of the Escrowed Shares, generally up to a maximum of 10 years following the initial grant date, Participants will be entitled to exchange their respective Escrowed Shares for Exchangeable Shares issued by the Issuer from treasury. The value of the Exchangeable Shares to be issued by the Issuer will be equal to the increase in value of the Exchangeable Shares held by the ESPCo since the grant date of the Escrowed Shares, based on the volume-weighted average price of the Exchangeable Shares on the NYSE on the date of the exchange; and

(f) following the exchange of Escrowed Shares for newly issued Exchangeable Shares, a corresponding number of Exchangeable Shares will be cancelled by the Issuer, resulting in no net dilution to existing shareholders of the Issuer.

16. The Escrowed Stock Plan will result in no net dilution over time because any newly issued Exchangeable Shares under the Escrowed Stock Plan will be fully offset by the cancellation of Exchangeable Shares.

17. Dividends on the Exchangeable Shares held by an ESPCo will be used to pay dividends on the preferred shares of the ESPCo that are held by the Issuer and on certain Escrowed Shares held by Participants who contributed the underlying Exchangeable Shares to the ESPCo in connection with the award of Escrowed Shares.

18. None of the Exchangeable Shares held by an ESPCo will be voted.

19. A maximum of 4,000,000 Exchangeable Shares may be issued under the Escrowed Stock Plan.

20. The Board has determined that:

    (a) the establishment of the Escrowed Stock Plan is in the best interests of the Issuer;

    (b) the Proposed Purchases are the best way to establish the Escrowed Stock Plan due to the trading volume in the Exchangeable Shares; and

    (c) the Proposed Purchases will minimize and/or defer the reduction in the number of Exchangeable Shares resulting from exchanges (if Exchanged Shares are instead converted by BN into the Issuer's class C non-voting shares).

21. Pursuant to the Proposed Purchases, the consideration paid by the Issuer for each Exchanged Share will be one BN Class A Share. The Issuer holds 32,934,574 BN Class A Shares (the "**BNRE Owned BN Shares**") as a result of an exchange offer (the "**Exchange Offer**") made by the Issuer to holders of BN Class A Shares pursuant to a short form prospectus dated November 1, 2023 (the "**Prospectus**"). The Prospectus indicated that, following the completion of the Exchange Offer, it was expected that BNRE Owned BN Shares would be returned by the Issuer to BN by way of a dividend or distribution on the Issuer's class C non-voting shares, or other similar transaction, with such BNRE Owned BN Shares then being cancelled by BN or, subject to applicable law and regulatory requirements, retained by the Issuer. The Issuer wishes to use up to 4,000,000 of the BNRE Owned BN Shares as consideration for the Proposed Purchases.

22. The Proposed Purchases are subject to approval by the Board based on a recommendation by the Compensation Committee of the Board, which consists entirely of independent directors. The Board, based on a recommendation by the Compensation Committee of the Board, approved the adoption of the Escrowed Stock Plan on April 2, 2024.

23. The purchase of Exchanged Shares pursuant to Proposed Purchases will be made by the Issuer in order to establish the Escrowed Stock Plan and accordingly, the Proposed Purchases constitute "issuer bids" by the Issuer for the purposes of NI 62-104 to which the Issuer Bid Requirements would apply.

24. The 4,000,000 Exchanged Shares represent approximately 9.22% of the Exchangeable Shares issued and outstanding as at June 14, 2024.

25. The Proposed Purchases will not adversely affect the Issuer or its shareholders.

26. The Escrowed Stock Plan constitutes a "security-based compensation arrangement" under applicable TSX rules, which require that the Escrowed Stock Plan be approved by a majority of the votes cast by the holders of Class A Exchangeable Shares and the class B limited voting shares, each voting as a separate class. The Escrowed Stock Plan received the requisite shareholder approval at the Issuer's annual general and special meeting of shareholders that was held on July 22, 2024 (the "**Meeting**").

27. The Issuer's management information circular in respect of the Meeting (the "**Circular**") disclosed that the Issuer had applied for the Requested Relief and described the nature of the Requested Relief. The Circular also disclosed that BN had applied to the Commission for an exemption from the Issuer Bid Requirements in respect of the up to 4,000,000 BNRE Owned BN Shares that it will receive from the Issuer pursuant to the Proposed Purchases as consideration for an equal number of Exchanged Shares.

28. Given the economic equivalence of the Exchangeable Shares to BN Class A Shares, and the fact that Exchangeable Shares are exchangeable on a one-for-one basis for BN Class A Shares, the adoption of the Escrowed Stock Plan is also conditional on its approval by (i) BN's board of directors, and (ii) BN's shareholders at a duly called meeting of shareholders. The board of directors of BN approved the adoption of the Escrowed Stock Plan on March 25, 2024 and the Escrowed Stock Plan received the requisite shareholder approval at BN's annual general and special meeting of shareholders that was held on June 7, 2024.

29. The Issuer and BN will not complete Proposed Purchases at any time that either of them is aware of any "material change" or "material fact" (each as defined in the *Securities Act* (Ontario)) in respect of the Issuer, BN, the Exchangeable Shares, or the BN Class A Shares that has not been generally disclosed.

30. Other than the BNRE Owned BN Shares, no fee or other consideration will be paid by the Issuer in connection with the purchase of Exchanged Shares.

31. The Issuer will issue and file a press release announcing receipt of the Requested Relief prior to the completion of the first Proposed Purchase.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) at the time of the Proposed Purchases, neither the Issuer nor BN is aware of any "material change" or "material fact" (each as defined in the *Securities Act* (Ontario)) in respect of the Issuer, BN, the Exchangeable Shares, or the BN Class A Shares that has not been generally disclosed; and

(b) other than the BNRE Owned BN Shares, no fee or other consideration will be paid by the Issuer in connection with the purchase of Exchanged Shares.

DATED at Toronto, Ontario this 22nd day of July, 2024.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

B.2.6 Alaris Equity Partners Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: *Re Alaris Equity Partners Inc.*, 2024 ABASC 126

July 22, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA
AND
ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ALARIS EQUITY PARTNERS INC.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador; and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

This order is based on the following facts represented by the Filer:

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

5. the Filer is not in default of securities legislation in any jurisdiction.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Timothy Robson"
Manager, Legal
Corporate Finance
Alberta Securities Commission

OSC File #: 2024/0394

B.2.7 Royal Fox Gold Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Legislative Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

IN THE MATTER OF
THE *BUSINESS CORPORATIONS ACT*
(ONTARIO), R.S.O. 1990, C. B.16,
AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
ROYAL FOX GOLD INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in subsection 1(1) of the OBCA;

2. The registered and head office of the Applicant is located at 1410-120 Adelaide Street West, Toronto, ON M5H 1T1;

3. The Applicant has no intention to seek public financing by way of an offering of securities;

4. On July 15, 2024, the Applicant was granted an order (the **Reporting Issuer Order**) pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*; and

5. The representations set out in the Reporting Issuer Order continue to be true.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public.

DATED at Toronto this 22nd day of July, 2024.

"Erin O'Donovan"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2024/0397

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B.3
Reasons and Decisions

B.3.1 Middlefield Limited and Infrastructure Dividend Split Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from qualification criteria in paragraph 2.2(d) of NI 44-101 to permit a fund that has not completed a financial year to use a short form prospectus under NI 44-101 or a shelf prospectus under NI 44-102 for subsequent offerings – relief subject to conditions.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus, ss. 2.2(d) and 8.1.

July 17, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
MIDDLEFIELD LIMITED
(the Filer)

AND

IN THE MATTER OF
INFRASTRUCTURE DIVIDEND SPLIT CORP.
(the Fund)

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting an exemption to the Fund from subsection 2.2(d) of National Instrument 44-101 - *Short Form Prospectus Distributions* (**NI 44-101**) to permit the Fund to file a short form prospectus pursuant to NI 44-101 or a shelf prospectus pursuant to National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) even though the Fund does not have current annual financial statements or a current AIF (as defined in NI 44-101).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that paragraph 4.7(1)(c) of Multilateral Instrument 11-102- *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, British Columbia, Quebec, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 - *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

1. The Filer is a corporation incorporated and subsisting under the laws of the province of Alberta.

2. The Filer's head office is located at The Well, 8 Spadina Avenue, Suite 3100, Toronto, Ontario, M5V 0S8.

3. The Filer is the manager and promoter of the Fund and will provide administrative services to the Fund.

4. The Filer is not in default of securities legislation in any of the Jurisdictions.

5. The Fund is a mutual fund structured as a corporation, incorporated and subsisting under the laws of the province of Ontario.

6. The Fund is a reporting issuer under the laws of all of the Jurisdictions.

7. The Fund is authorized to issue an unlimited number of class A Shares (the **Class A Shares**), Class M Shares, and preferred shares (the **Preferred Shares**).

8. The Fund acquired the assets of International Clean Power Dividend Fund (**CLP**), an investment fund managed by the Manager pursuant to an asset purchase agreement dated May 4, 2024. As consideration for its assets, the Fund issued to CLP a number of Class A Shares equal to the net asset value of CLP divided by $15.00. The Class A Shares were subsequently distributed to the former unitholders of CLP, and became freely tradeable pursuant to section 2.7 of National Instrument 45-102 – Resale of Securities upon the filing of the Prospectus (as defined below).

9. On May 6, 2024, a final long-form prospectus (the **Prospectus**) was filed with the securities regulatory authorities in each of the Jurisdictions to qualify the issuance of the Preferred Shares of the Fund in the Jurisdictions.

10. The Fund completed its initial public offering on May 8, 2024. The Fund's year end is December 31 and accordingly the Fund has not had its first-year end and has no audited financial statements in respect of a period ending on a year end.

11. The Fund is not in default of securities legislation in any of the Jurisdictions.

12. As at May 27, 2024, there were 5,212,245 Class A Shares and 5,264,370 Preferred Shares issued and outstanding.

13. The Class A Shares of the Fund are listed on the TSX under the symbol "IS" and the Preferred Shares under the symbol "IS.PR.A".

14. The Filer wishes to be in a position to be able to file a short-form prospectus in accordance with Form 44-101 or a shelf prospectus in accordance with NI 44-102 in order to take advantage of the shorter time period in which, and the streamlined procedures by which, the Fund may offer additional Class A Shares and Preferred Shares to the public.

15. For the Fund, which is an existing reporting issuer in the Jurisdictions, filing a short-form prospectus in accordance with NI 44-101 or a shelf prospectus in accordance with NI 44-102 is an efficient, expedient and cost-effective alternative to filing a long-form prospectus in accordance with National Instrument 41-101- *General Prospectus Requirements* (**NI 41-101**) and Form 41-101F2.

16. The Fund will incorporate by reference into any short-form prospectus it files during the currency of the Exemption Sought, such sections of the Prospectus as may be required to provide the disclosure that would be required to be included in an annual information form.

17. The Fund will file all required financial statements and management reports of fund performance required by National Instrument 81-106 – *Investment Fund Continuous Disclosure*.

18. Absent the Exemption Sought, the Fund would be required to file a long-form prospectus in accordance with NI 41-101 and Form 41-101F2 as the Fund has yet to complete a financial year end and therefore does not have current annual financial statements or a current AIF.

19. In the event that the Fund wishes to file a short form prospectus in accordance with NI 44-101 or a shelf prospectus in accordance with NI 44-102 prior to filing the audited annual financial statements of the Fund for the year ended December 31, 2024, the Fund proposes to prepare, file and incorporate by reference:

(a) audited financial statements to a date that is not more than 90 days before the date of the prospectus, provided that such financial statements are dated as of May 8, 2024 or later (the **Initial Financial Statements**); and

(b) prepare, file and incorporate by reference into such prospectus a management report of fund performance for the period covered by the Initial Financial Statements.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

(a) prior to filing a preliminary short form prospectus or shelf prospectus,

(i) the Fund incorporates by reference the Initial Financial Statements; and

(ii) the Fund files a management report of fund performance for the period covered by the Initial Financial Statements;

(b) in any short form prospectus or shelf prospectus filed by the Fund,

(i) the Fund includes or incorporates by reference the disclosure that would have been required in a current AIF, had the Fund been required to prepare a current AIF; and

(ii) the Fund includes disclosure regarding this decision in accordance with the requirements of section 19.1 of Form 44-101F1 Short Form Prospectus; and

(c) the Exemption Sought will expire on the earlier of

(i) the date upon which the Fund files audited annual financial statements of the Fund for the year ended December 31, 2024; and

(ii) April 1, 2025.

“Darren McKall”
Manager, Investment Management Division
Ontario Securities Commission

Application File #: 2024/0340
SEDAR+ File #: 6141592

B.3.2 Silver Mountain Resources Inc.

Headnote

Relief from the requirements otherwise applicable to the Filer as a reporting issuer who is not a venture issuer – Filer is cross listed on the TSX Venture Exchange and the Risk Capital segment (Segmento de Capital de Riesgo) of the Bolsa de Valores de Lima – The Risk Capital segment (Segmento de Capital de Riesgo) of the Bolsa de Valores de Lima imposes the requirements of the TSXV on the Filer – Relief granted subject to conditions, including that the Filer complies with the requirements of Canadian securities legislation applicable to a venture issuer and remains listed on the TSX Venture Exchange and the Risk Capital segment (Segmento de Capital de Riesgo) of the Bolsa de Valores de Lima.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, s. 19.1.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1.
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, s. 9.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
SILVER MOUNTAIN RESOURCES INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from (collectively, the **Exemption Sought**):

a) The requirements otherwise applicable to the Filer as a reporting issuer who is not a venture issuer in each of the following instruments, including the forms thereof (collectively, the **Instruments**):

   i. National Instrument 41-101 *General Prospectus Requirements*;

   ii. National Instrument 51-102 *Continuous Disclosure Obligations*;

   iii. National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

   iv. National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*;

   v. National Instrument 52-110 *Audit Committees*; and

   vi. National Instrument 58-101 *Disclosure of Corporate Governance Practices*;

b) The formal valuation requirements in sections 4.3 and 5.4 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**); and

c) The minority approval requirement in section 5.6 of MI 61-101 (the **Minority Approval Relief**).

Securities legislation imposes obligations for all reporting issuers. There are different obligations applicable to reporting issuers who are venture issuers and to those that are non-venture issuers. The Exemption Sought will permit the Filer to comply with the obligations applicable to venture issuers notwithstanding that the Filer does not meet the criteria in the definition of "venture issuer".

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

a) the Ontario Securities Commission is the principal regulator for this application; and

b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is incorporated under the *Canada Business Corporations Act* and its head office is located at 82 Richmond St. East, Toronto, Ontario, M5C 1P1, Canada. The Filer's principal business objectives are the acquisition, exploration, and development of precious metal resource properties and the Filer's principal asset is a 99.99% interest in a mineral project located near the town of Castrovirreyna, department of Huancavelica, province of Castrovirreyna, Peru.

2. The Filer is a reporting issuer in each province and territory of Canada (the **Reporting Jurisdictions**).

3. The Filer is authorized to issue an unlimited number of class A common shares and an unlimited number of class B non-voting common shares. As of June 10, 2024, the Filer had 367,298,788 class A common shares and nil class B non-voting common shares issued and outstanding.

4. The Filer's class A common shares are listed on the TSX Venture Exchange (the **TSXV**) under the symbol "AGMR", the Risk Capital Segment of the Lima Stock Exchange (*Segmento de Capital de Riesgo de la Bolsa de Valores de Lima*) in Peru (the **Lima Exchange**) under the symbol "AGMR" and the OTCQB under the symbol "AGMRF".

5. The Filer's class A common shares were first listed for trading on the Lima Exchange on July 18, 2022. The Filer listed its class A common shares on the Lima Exchange due to the Filer's connection to Peru and to facilitate the sale and transfer of its class A common shares for shareholders domiciled in Peru.

6. The Filer is not in default of any of the requirements of the Legislation, except that from July 18, 2022 until the date of this decision, the Filer has been in default of any applicable securities legislation requirements in the Reporting Jurisdictions that apply to reporting issuers that are not venture issuers by virtue of its listing on the Lima Exchange.

7. In the Instruments, the definition of "venture issuer" excludes a reporting issuer who, at the relevant time, has "any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc" (the **Venture Issuer Definition**).

8. As the Lima Exchange is a marketplace and hence a "marketplace outside of Canada and the United States of America", the Filer does not, subsequent to July 18, 2022, meet the criteria of the Venture Issuer Definition.

9. The Filer acknowledges that any right of action, remedy, penalty or sanction available to any person or company or to a securities regulatory authority against the Filer from July 18, 2022 until the date of this decision are not terminated or altered as a result of this decision.

10. The Lima Exchange has two main segments on which securities may be traded. The Filer's securities are listed on the junior segment of the Lima Exchange -- the Risk Capital Segment of the Lima Exchange (*Segmento de Capital de Riesgo de la Bolsa de Valores de Lima*) (the **Risk Capital Segment**). The Risk Capital Segment is a junior segment and is a specialized market implemented by the Lima Exchange to provide junior mining companies the opportunity to obtain funding through the Peruvian capital markets. The listing of a security of an issuer on this segment is automatic (subject to submission and acceptance of the required application forms and sponsorship) if that issuer is already listed on certain stock exchanges, including the TSXV (the **Dual Listing Program**).

11. The Lima Exchange defers to the requirements of the issuer's primary stock exchange for issuers that list on the Risk Capital Segment through the Dual Listing Program. The Risk Capital Segment of the Lima Exchange is junior or equivalent to the TSXV in terms of its requirements and does not have any minimum listing, listing maintenance or

continuous disclosure requirements for TSXV-listed issuers that are more onerous as compared with the TSXV as it defers to the requirements of the TSXV with respect to TSXV-listed issuers, including the Filer. For a listing application, a TSXV-listed issuer must file a sponsorship report by a local broker dealer acting as a sponsor for the listing. In addition, an issuer must file all public disclosure documents filed in its home jurisdiction with the Lima Exchange. The Lima Exchange does not have any requirements for a mining issuer to hold a significant interest in a qualifying property, expenditure requirements or work program or exploration work limits.

12. The Lima Exchange requires the Filer to, and the Filer does and will continue to, comply with applicable laws and regulations of the Filer's home jurisdiction, including the policies of the TSXV.

13. The information that the Filer has provided regarding the Risk Capital Segment of the Lima Exchange and its status as a junior market for the purposes of review by staff of the principal regulator is accurate as of the date of this decision.

14. The Filer monitors the requirements of the Risk Capital Segment of the Lima Exchange on an ongoing basis, through both its Peruvian sponsor, Kallpa SAB (the **Peruvian Sponsor**) and its Chief Executive Officer, Mr. Alvaro Espinoza Vargas, and its Chief Financial Officer, Ms. Patricia Alejandra Soto Rengifo, both of whom are designated to act as the Filer's Stock Exchange Representatives (*Representantes Bursátiles*) with the Lima Exchange (the **Lima Representatives**).

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) The Filer complies with the conditions and requirements of Canadian securities legislation applicable to a reporting issuer that satisfies the Venture Issuer Definition, including the rules and policies of the TSXV;

(b) The representations listed in paragraphs 10 through 13 above continue to be true;

(c) The Filer will monitor the representations made in paragraphs 10 through 13 above on an ongoing basis through both its Peruvian Sponsor, Kallpa SAB, and the Lima Representatives, Mr. Alvaro Espinoza Vargas and Ms. Patricia Alejandra Soto Rengifo, including periodic reviews of the requirements of the Risk Capital Segment of the Lima Exchange and its status as a junior market, and inform the principal regulator of any material change affecting the truth of said representations;

(d) The Filer will inform the principal regulator of any material change regarding the Risk Capital Segment of the Lima Exchange in terms of its requirements, the minimum listing requirements, the listing maintenance requirements or any other changes which relate to its status as a junior market and inform the principal regulator of whether any such change impacts its status as a junior market;

(e) The Risk Capital Segment of the Lima Exchange is not restructured in a manner that makes it unreasonable to conclude that it is still a junior market and that the representations listed in paragraphs 10 through 13 above continue to be true;

(f) The Filer continues to have its class A common shares listed on the TSXV;

(g) The Filer does not graduate from the Risk Capital Segment of the Lima Exchange to a more senior segment of the Lima Exchange;

(h) The Filer does not have any of its securities listed or quoted on any of the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace or a marketplace outside of Canada and United Stated of America other than the Lima Exchange, the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc;

(i) In the event an exemption under Canadian securities legislation applies to a requirement in the Instruments applicable to the Filer, and a condition to the exemption requires the issuer to be a venture issuer, the Filer may invoke the benefit of that exemption if the Filer meets the conditions required by the exemption except for the condition that the Filer be a venture issuer;

(j) In the event an exemption under Canadian securities legislation applies to a requirement applicable to the Filer as a reporting issuer who is not a venture issuer in the Instruments, and a condition to the exemption requires the issuer to not be a venture issuer, the Filer does not invoke the benefit of that exemption; and

(k) For the purposes of the Minority Approval Relief, in addition to conditions (a) through (j) above, the Filer complies with the requirement to obtain minority approval in section 5.6 of MI 61-101, except that the Filer is entitled to rely on the

exemption from the requirement to obtain minority approval set out in subsection 5.7(1)(b) of MI 61-101, despite subsection 5.7(1)(b)(i) of MI 61-101, provided that the other conditions of subsection 5.7(1)(b) of MI 61-101 are satisfied.

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2024/0353

B.3.3 Harvest Portfolios Group Inc. and The Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted under subsection 62(5) of the Securities Act to permit the extension of a prospectus lapse date by 23 days to facilitate the consolidation of the funds' prospectus with the prospectus of other funds under common management – No conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

July 18, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
HARVEST PORTFOLIOS GROUP INC.
(the Filer)

AND

IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(each, a Fund and collectively, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the respective time limits for the renewal of the long form prospectus of the Funds dated August 30, 2023 (the **August Prospectus**) be extended to those time limits that would apply if the lapse date of the August Prospectus was September 22, 2024 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(i) the Ontario Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Canada. The Filer's head office is located in Oakville, Ontario.

2. The Filer is registered as an investment fund manager and portfolio manager in the province of Ontario and as an investment fund manager in the provinces of Newfoundland and Labrador and Quebec.

3. The Filer is the investment fund manager of the Funds.

4. Each of the Funds is an exchange-traded mutual fund (**ETF**) established under the laws of Ontario, and is a reporting issuer as defined in the securities legislation of each of the Jurisdictions.

5. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Jurisdictions.

6. The Funds currently distribute securities in the Jurisdictions under the August Prospectus. Securities of each of the Funds trade on the Toronto Stock Exchange.

7. Pursuant to subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the August Prospectus is August 30, 2024 (the **Lapse Date**). Accordingly, under subsection 62(2) of the Act, the distribution of securities of each of the Funds would have to cease on the Lapse Date unless: (i) each of the Funds files a pro forma prospectus at least 30 days prior to the Lapse Date; (ii) the final prospectus is filed no later than 10 days after the Lapse Date; and (iii) a receipt for the final prospectus is obtained within 20 days of the Lapse Date.

8. The Filer is the investment fund manager of certain other ETFs as listed in Schedule "B" (the **September Funds**) that currently distribute their securities to the public under a prospectus that has a lapse date of September 22, 2024 (the **September Prospectus**).

9. The Filer wishes to combine the August Prospectus with the September Prospectus given that the Funds and the September Funds share many common operational and administrative features, to allow investors to compare the features of the

Funds and the September Funds more easily and in order to reduce renewal, printing and related costs of the Funds and the September Funds.

10. Offering the Funds and the September Funds under one prospectus would facilitate the distribution of the Funds in the Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. As the Funds and the September Funds are all managed by the Filer, offering them under one prospectus (as opposed to two) will allow investors to more easily compare their features.

11. It would be unreasonable to incur the costs and expenses associated with preparing two separate renewal prospectuses given how close in proximity the Lapse Date of the Funds and the lapse date of the September Funds are to one another.

12. There have been no material changes in the affairs of each Fund since the date of the August Prospectus, other than those for which amendments have been filed. Accordingly, the August Prospectus and current ETF facts document of each Fund represent current information regarding the Funds.

13. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the prospectus of the Funds and current ETF facts document(s) of the applicable Fund(s) will be amended as required under the Legislation.

14. New investors in the Funds will receive the most recently filed ETF facts document(s) of the applicable Fund(s). The prospectus of the Funds will still be available upon request.

15. The Exemption Sought will not affect the accuracy of the information contained in the prospectus of the Funds or the September Funds and will therefore not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Manager, Investment Management
Ontario Securities Commission

Application File #: 2024/0400
SEDAR+ File #: 6155058

Schedule "A"

Harvest Healthcare Leaders Enhanced Income ETF

Harvest Tech Achievers Enhanced Income ETF

Harvest Equal Weight Global Utilities Enhanced Income ETF

Schedule "B"

Harvest US Bank Leaders Income ETF

Blockchain Technologies ETF

Harvest Equal Weight Global Utilities Income ETF

Harvest Global Gold Giants Index ETF

Harvest Travel & Leisure Index ETF

Harvest Clean Energy ETF

Harvest Premium Yield Treasury ETF

B.3.4 Padlock Partners UK Fund I

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – application for relief from requirement to obtain separate minority approval for each class of units – declaration of trust provides that unitholders will vote as a single class unless the nature of the business affects holders of one class of units in a manner materially different from another class – independent directors have determined that the proposed business combination will not affect holders of one class of units in a manner materially different than holders of any other class of units – information circular included disclosure that relief from separate class vote requirement was being sought and described implications – requiring a class-by-class vote could give a de facto veto right to a very small group of unitholders – relief granted, subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 8.1(1) and 9.1(2).

July 19, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PADLOCK PARTNERS UK FUND I
("Fund I")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Fund I for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting Fund I, pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in subsection 8.1(1) of MI 61-101 to obtain minority approval from the holders of every class of affected securities of Fund I, each voting separately as a class, in connection with a proposed plan of arrangement pursuant to which Fund I will acquire all of the issued and outstanding trust units of Padlock Partners UK Fund II ("**Fund II**") and Padlock Partners UK Fund III ("**Fund III**" and, together with Fund I and Fund II, the "**Funds**", and each, a "**Fund**"), and

requiring instead that minority approval be obtained from all Disinterested Unitholders (as defined below) voting together as a single class (the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) Fund I has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec and New Brunswick.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and MI 61-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by Fund I:

Overview of Fund I

1. Fund I is an unincorporated investment trust established under, governed by, and in good standing under, the laws of the Province of Ontario, pursuant to a declaration of trust dated July 8, 2020, as amended and restated on August 13, 2020 (the "**Fund I DOT**").

2. Fund I's head office is located at 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9.

3. Fund I is a reporting issuer in each province and territory of Canada and is not in default of any applicable requirements under the securities legislation thereunder.

4. Fund I's investment objectives are to: (i) provide holders of trust units ("**Unitholders**") with an opportunity to invest in a portfolio of diversified income-producing commercial real estate properties in the United Kingdom ("**UK**"), with a particular focus on self-storage and mixed-use properties; (ii) provide Unitholders with quarterly cash distributions; and (iii) enhance the potential for long-term growth of capital through rental escalations in tenant leases, acquisition and conversion opportunities from Fund I's unique position in the market, and a liquidity event by way of an exit into the public markets or other transaction.

5. Fund I owns interests in six properties located in the UK.

6. The beneficial interests in Fund I are divided into four classes of units (collectively, the "**Fund I Units**"): Class A units ("**Class A Units**"); Class C units ("**Class C Units**"); Class F units ("**Class F Units**"); and Class U units ("**Class U Units**").

7. As at the record date for the Meeting (as defined below), being June 20, 2024, there were 3,427,437 Fund I Units issued and outstanding, consisting of 3,098,487 Class A Units, nil Class C Units, 52,500 Class F Units, and 276,450 Class U Units.

8. Accordingly, as at June 20, 2024, the Class A Units represented 90.40% of the issued and outstanding Fund I Units, the Class C Units represented 0% of the issued and outstanding Fund I Units, the Class F Units represented 1.53% of the issued and outstanding Fund I Units, and the Class U Units represented 8.07% of the issued and outstanding Fund I Units.

9. No class of Fund I Units are listed on a stock exchange.

10. Each Fund I Unit has the same rights and obligations and no holder of Fund I Units is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

(a) The Class A Units, Class C Units, Class F Units are denominated in Canadian dollars, while the Class U Units are denominated in pound sterling. The difference in currency denominations was intended to allow holders of Fund I Units the flexibility to invest in Fund I and receive distributions in either Canadian dollars or pound sterling.

(b) The Class A Units paid an agents' fee of C$0.575 per Class A Unit, the Class C Units did not pay an agents' fee, the Class F Units paid an agents' fee of $0.275 per Class F Unit, and the Class U Units paid an agents' fee of £0.575 per Class U Unit.

(c) The proportionate entitlement of the holders of Class A Units, Class C Units, Class F Units and Class U Units (together, the "**Proportionate Class Interest**") to participate in distributions made by Fund I, including distributions of Net Realized Capital Gains (as defined in the Fund I DOT) or income, if any, and to receive proceeds on a redemption of Units and/or upon termination of Fund I, is essentially equal to (i) (A) the aggregate gross proceeds received by Fund I for the issuance of such class of Fund I Units less the agents' fee payable in respect of such class of Fund I Units, less (B) the aggregate amount paid in respect of redemptions of Fund I Units of such class, divided by (ii) the net proceeds of the initial public offering (being the gross proceeds less the agents' fee) for all classes of Fund

I Units less the aggregate amount paid in respect of all redemptions of Fund I Units.

11. Section 9.7 of the Fund I DOT provides that the Unitholders vote as a single class in respect of any matter to be voted upon unless the nature of the business to be transacted at the meeting affects holders of one class of Fund I Units in a manner materially different from its effect on holders of another class of Fund I Units, in which case the Fund I Units of the affected class will vote separately as a class.

12. Section 9.7 of the Fund I DOT also provides that in the event Fund I enters into a transaction that is subject to review under MI 61-101, and as a result requires approval from each class of Fund I Units, in each case voting separately as a class, Fund I will apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) Section 9.7 of the Fund I DOT provides that Unitholders will vote as a single class unless the nature of the business to be transacted at the meeting of Unitholders affects holders of one class of Fund I Units in a manner materially different from its effect on holders of another class of Fund I Units, (ii) the relative returns of any proposed transaction to each class of Fund I Units are fixed pursuant to the formula set out in the Fund I DOT, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders.

13. Fund I is managed by Clear Sky Capital, Inc. (the "**Canadian Manager**") and Padlock Capital Partners, LLC (together with the Canadian Manager, the "**Fund I Managers**").

Proposed Transaction

14. On June 19, 2024, Fund I entered into an arrangement agreement with, among others, Fund II and Fund III pursuant to which Fund I will acquire all of the issued and outstanding trust units of Fund II and Fund III, thereby indirectly acquiring ownership of the interests in the real estate properties currently owned by Fund II and Fund III (the "**Proposed Transaction**").

15. The interests in Fund II are divided into four classes of units (collectively, the "**Fund II Units**"): Class A units; Class C units; Class F units; and Class U units.

16. The interests in Fund III are divided into four classes of units (collectively, the "**Fund III Units**"): Class A units; Class C units; Class F units; and Class U units.

17. Fund II is managed by the Canadian Manager and Padlock Capital Partners II, LLC (collectively, the "**Fund II Managers**"). Fund III is managed by the Canadian Manager and Padlock Capital Partners III, LLC (the "**Fund III Managers**", and together with the Fund I Managers, and the Fund II Managers, the "**Fund Managers**").

18. Pursuant to the Proposed Transaction, the Fund I DOT will be amended and Fund I will redesignate the Fund I Units as Fund I Units of Series 1, and will issue Fund I Units of Series 2 to holders of Fund II Units and Fund I Units of Series 3 to holders of Fund III Units. Each Series of Fund I Units will be divided into three (3) classes: Class A Units; Class F Units; and Class U Units. To maintain their existing proportionate entitlements and distributions in the applicable Fund, each holder of a Fund I Unit, Fund II Unit or Fund III Unit will receive a trust unit of the merged entity (the "**Merged Fund**") of the applicable series and class of the Merged Fund.

19. The Proposed Transaction will not alter the entitlements of existing unitholders of any of the Funds or otherwise provide for the payment of cash or assets to unitholders within a series of the Merged Fund in a manner that differs from their pre-established proportionate class interest entitlements as set out in the respective declaration of trust of each Fund.

20. The entitlements of each series of the Merged Fund to distributions will be determined based on the net asset values of each Fund. The proceeds will then be allocated proportionately within each series of the Merged Fund based on the original proportionate class interest entitlements from each Fund's initial public offering.

21. In connection with the Proposed Transaction, the management agreements of each Fund will be terminated and a new, consolidated management agreement will be entered into with the managers of each Fund, and the share terms providing for the "carried interest" that affiliates of the managers of each Fund are entitled to will be amended to account for the Proposed Transaction. No payout of the carried interest will occur pursuant to the Proposed Transaction.

22. The Proposed Transaction is a business combination for Fund I as the redesignation of the Fund I Units may constitute a termination of the interests of the Unitholders without their consent, and related parties of Fund I, being the Fund I Managers, are parties to connected transactions to the Proposed Transaction, being the entering into of the consolidated management agreement and the amendments to the carried interest terms to preserve the carried interest, pursuant to which they may also be receiving a collateral benefit. As a result, the Proposed Transaction is subject to the applicable requirements of MI 61-101. Such requirements include, among other things, approval of the Proposed Transaction by a majority of the votes cast by holders of each class of Fund I Units, excluding the votes attached to Fund I Units beneficially owned, or over which control or direction is exercised, by any party specified in

subsection 8.1(2) of MI 61-101 (the Unitholders that do not need to be excluded, the "**Disinterested Unitholders**") at a meeting of Fund I Units of that class called to consider the Proposed Transaction.

23. Fund I has called a special meeting of holders of Fund I Units on July 24, 2024 to consider the Proposed Transaction (the "**Meeting**").

24. The Disinterested Unitholders in respect of the Proposed Transaction include all Unitholders, with the exception of the Fund I Managers, the executive officers of Fund I, and Marcus Kurschat, as principal of the Fund I Managers and a trustee of Fund I, and any related party or joint actor of any of them. As of the record date of the Meeting, none of these persons hold any Fund I Units, and accordingly, the Disinterested Unitholders hold 100% of each class of Fund I Units.

25. Fund I is exempt from the formal valuation requirement in MI 61-101 in respect of the Proposed Transaction on the basis of subsection 4.4(1) of MI 61-101 as no securities of Fund I are listed on a specified market.

26. The board of trustees of Fund I (the "**Board**"), the Independent Trustees (as defined below) and the Fund I Managers have each determined that:

(a) no aspect of the Proposed Transaction will affect holders of one class of Fund I Units in a manner materially different than holders of another class of Fund I Units as all Unitholders will receive the formulaic and pre-established treatment as specified by their respective Proportionate Class Interest determined at the time of Fund I's initial public offering when investors selected their preferred class of Fund I Units (if applicable) and purchased or acquired their Fund I Units; and

(b) no separate class vote is required for any aspect of the Proposed Transaction under the terms of the Fund I DOT.

27. The Proposed Transaction was proposed by the Fund Managers to Dale Williams and Abbas Osman, each of whom is independent of Fund I and the Fund I Managers for the purposes of MI 61-101 (the "**Independent Trustees**"). The Independent Trustees established a committee to consider the merits of the Proposed Transaction (the "**Independent Committee**").

28. The Proposed Transaction is, and was, subject to a number of mechanisms, which the Board believes ensures that the collective interests of Unitholders are protected, and that the Unitholders are treated fairly and in accordance with their voting and economic entitlements under the Fund I DOT. These include that:

(a) Negotiation of the Proposed Transaction was overseen by the Independent Committee.

(b) The Independent Committee supervised the preparation of a fairness opinion (the "**Fairness Opinion**") with respect to the Proposed Transaction. The Fairness Opinion was prepared on an individual basis for each Fund, having regard to its particular circumstances, and concluded that, based upon and subject to the assumptions, limitations and qualifications set out therein, the Proposed Transaction is fair, from a financial point of view to the Unitholders. The Fairness Opinion was included in the joint management information circular of the Funds dated June 24, 2024 in respect of the Proposed Transaction (the "**Information Circular**") that was prepared and sent to Unitholders.

(c) The Independent Committee retained Wildeboer Dellelce LLP to act as its independent legal advisor.

(d) The Fund I Managers retained CIBC World Markets Inc. to act as independent financial advisor in respect of the Proposed Transaction.

(e) The Board exercised the requisite standard of care in accordance with the terms of the Fund I DOT with respect to the Proposed Transaction. Marcus Kurschat, as principal of the Fund I Managers, has and will continue to recuse himself from any Board deliberations and the passing of any resolutions in connection with the Proposed Transaction.

(f) The Independent Committee determined that the net asset value attributable to Fund I, and the exchange ratio were reasonable.

(g) The Independent Committee determined that the Proposed Transaction was in the best interests of Fund I and approved the Proposed Transaction.

(h) The Proposed Transaction will be put before Unitholders for approval, which will be determined on the basis of a majority of the votes cast by Disinterested Unitholders, voting together as a single class.

(i) The Information Circular included disclosure that Fund I has applied for the Exemption Sought and described the implications of the Exemption Sought, if granted.

29. Separate class votes by Unitholders would have the effect of granting disproportionate importance

to a small group of Disinterested Unitholders of each of the Class F Units (1.53% of the outstanding Fund I Units) and Class U Units (8.07% of the outstanding Fund I Units). Despite their relatively small holdings, Disinterested Unitholders in each of these groups would be afforded a *de facto* veto right in respect of the Proposed Transaction that could be exercised against all other Unitholders. Because quorum for a meeting of a class of Unitholders is only 10% for each class, it is possible that a holder of less than 0.15% of the Fund I Units could effectively veto the Proposed Transaction. Such an outcome would not be in accordance with the reasonable expectations of Unitholders.

30. To the best of the knowledge of Fund I and the Fund I Managers, there is no reason to believe that the holders of Fund I Units of any particular class would not approve the Proposed Transaction where the holders of Fund I Units of any of the other classes are in favour.

31. As of July 18, 2024, neither Fund I nor the Fund I Managers have received any complaints or expressions of concern about the Proposed Transaction or the Exemption Sought.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) a special meeting of the Unitholders is held in order for the Disinterested Unitholders to consider and, if deemed advisable, approve the Proposed Transaction, such approval to be obtained with the Disinterested Unitholders voting together as a single class; and

(b) Fund I issues and files a press release announcing receipt of the Exemption Sought prior to the Meeting and describes the implications of same.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

B.3.5 Padlock Partners UK Fund II

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – application for relief from requirement to obtain separate minority approval for each class of units – declaration of trust provides that unitholders will vote as a single class unless the nature of the business affects holders of one class of units in a manner materially different from another class – independent directors have determined that the proposed business combination will not affect holders of one class of units in a manner materially different than holders of any other class of units – information circular included disclosure that relief from separate class vote requirement was being sought and described implications – requiring a class-by-class vote could give a de facto veto right to a very small group of unitholders – relief granted, subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 8.1(1) and 9.1(2).

July 19, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PADLOCK PARTNERS UK FUND II
("Fund II")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Fund II for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting Fund II, pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in subsection 8.1(1) of MI 61-101 to obtain minority approval from the holders of every class of affected securities of Fund II, each voting separately as a class in connection with a proposed plan of arrangement pursuant to which Padlock Partners UK Fund I ("**Fund I**") will acquire all of the issued and outstanding trust units of Fund II and Padlock Partners UK Fund III ("**Fund III**" and, together with Fund I and Fund II, the "**Funds**", and each, a "**Fund**"), and

requiring instead that minority approval be obtained from all Disinterested Unitholders (as defined below) voting together as a single class (the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) Fund II has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec and New Brunswick.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and MI 61-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by Fund II:

Overview of Fund II

1. Fund II is an unincorporated investment trust established under, governed by, and in good standing under, the laws of the Province of Ontario, pursuant to a declaration of trust dated April 16, 2021, as amended and restated on May 25, 2021 (the "**Fund II DOT**").

2. Fund II's head office is located at 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9.

3. Fund II is a reporting issuer in each province and territory of Canada and is not in default of any applicable requirements under the securities legislation thereunder.

4. Fund II's investment objectives are to: (i) provide holders of trust units ("**Unitholders**") with an opportunity to invest in a portfolio of diversified income-producing commercial real estate properties in the United Kingdom ("**UK**"), with a particular focus on self-storage and mixed-use properties; (ii) provide Unitholders with quarterly cash distributions; and (iii) enhance the potential for long-term growth of capital through rental escalations in tenant leases, acquisition and conversion opportunities from Fund II's unique position in the market, and a liquidity event by way of an exit into the public markets or other transaction.

5. Fund II owns interests in four properties located in the UK.

6. The beneficial interests in Fund II are divided into four classes of units (collectively, the "**Fund II Units**"): Class A units ("**Class A Units**"); Class C units ("**Class C Units**"); Class F units ("**Class F Units**"); and Class U units ("**Class U Units**").

7. As at the record date for the Meeting (as defined below), being June 20, 2024, there were 3,133,140 Fund II Units issued and outstanding, consisting of 2,421,140 Class A Units, nil Class C Units, 409,450 Class F Units, and 302,550 Class U Units.

8. Accordingly, as at June 20, 2024, the Class A Units represented 77.28% of the issued and outstanding Fund II Units, the Class C Units represented 0% of the issued and outstanding Fund II Units, the Class F Units represented 13.07% of the issued and outstanding Fund II Units, and the Class U Units represented 9.66% of the issued and outstanding Fund II Units.

9. No class of Fund II Units are listed on a stock exchange.

10. Each Fund II Unit has the same rights and obligations, and no holder of Fund II Units is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

(a) The Class A Units, Class C Units, Class F Units are denominated in Canadian dollars, while the Class U Units are denominated in pound sterling. The difference in currency denominations was intended to allow holders of Fund II Units the flexibility to invest in Fund II and receive distributions in either Canadian dollars or pound sterling.

(b) The Class A Units paid an agents' fee of C$0.575 per Class A Unit, the Class C Units did not pay an agents' fee, the Class F Units paid an agents' fee of $0.275 per Class F Unit, and the Class U Units paid an agents' fee of £0.575 per Class U Unit.

(c) The proportionate entitlement of the holders of Class A Units, Class C Units, Class F Units and Class U Units (together, the "**Proportionate Class Interest**") to participate in distributions made by Fund II, including distributions of Net Realized Capital Gains (as defined in the Fund II DOT) or income, if any, and to receive proceeds on a redemption of Units and/or upon termination of Fund II, is essentially equal to (i) (A) the aggregate gross proceeds received by Fund II for the issuance of such class of Fund II Units less the agents' fee payable in respect of such class of Fund II Units, less (B) the aggregate amount paid in respect of redemptions of Fund II Units of such class, divided by (ii) the net proceeds of the initial public offering (being the gross proceeds less the agents' fee) for all classes of Fund II Units less the

aggregate amount paid in respect of all redemptions of Fund II Units.

11. Section 9.7 of the Fund II DOT provides that the Unitholders vote as a single class in respect of any matter to be voted upon unless the nature of the business to be transacted at the meeting affects holders of one class of Fund II Units in a manner materially different from its effect on holders of another class of Fund II Units, in which case the Fund II Units of the affected class will vote separately as a class.

12. Section 9.7 of the Fund II DOT also provides that in the event Fund II enters into a transaction that is subject to review under MI 61-101, and as a result requires approval from each class of Fund II Units, in each case voting separately as a class, Fund II will apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) Section 9.7 of the Fund II DOT provides that Unitholders will vote as a single class unless the nature of the business to be transacted at the meeting of Unitholders affects holders of one class of Fund II Units in a manner materially different from its effect on holders of another class of Fund II Units, (ii) the relative returns of any proposed transaction to each class of Fund II Units are fixed pursuant to the formula set out in the Fund II DOT, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders.

13. Fund II is managed by Clear Sky Capital, Inc. (the "**Canadian Manager**") and Padlock Capital Partners II, LLC (together with the Canadian Manager, the "**Fund II Managers**").

Proposed Transaction

14. On June 19, 2024, Fund I entered into an arrangement agreement with, among others, Fund II and Fund III pursuant to which Fund I will acquire all of the issued and outstanding trust units of Fund II and Fund III, thereby indirectly acquiring ownership of the interests in the real estate properties currently owned by Fund II and Fund III (the "**Proposed Transaction**").

15. Fund I is an unincorporated investment trust established under, governed by, and in good standing under, the laws of the Province of Ontario, pursuant to a declaration of trust dated July 8, 2020, as amended and restated on August 13, 2020 (the "**Fund I DOT**").

16. The interests in Fund I are divided into four classes of units (collectively, the "**Fund I Units**"): Class A units; Class C units; Class F units; and Class U units.

17. The interests in Fund III are divided into four classes of units (collectively, the "**Fund III Units**"): Class A units; Class C units; Class F units; and Class U units.

18. Fund I is managed by the Canadian Manager and Padlock Capital Partners, LLC (collectively, the "**Fund I Managers**"). Fund III is managed by the Canadian Manager and Padlock Capital Partners III, LLC (the "**Fund III Managers**", and together with the Fund I Managers, and the Fund II Managers, the "**Fund Managers**").

19. Pursuant to the Proposed Transaction, the Fund I DOT will be amended and Fund I will redesignate the Fund I Units as Fund I Units of Series 1, and will issue Fund I Units of Series 2 to holders of Fund II Units and Fund I Units of Series 3 to holders of Fund III Units. Each Series of Fund I Units will be divided into three (3) classes: Class A Units; Class F Units; and Class U Units. To maintain their existing proportionate entitlements and distributions in the applicable Fund, each holder of a Fund I Unit, Fund II Unit or Fund III Unit will receive a trust unit of the merged entity (the "**Merged Fund**") of the applicable series and class of the Merged Fund.

20. The Proposed Transaction will not alter the entitlements of existing unitholders of any of the Funds or otherwise provide for the payment of cash or assets to unitholders within a series of the Merged Fund in a manner that differs from their pre-established proportionate class interest entitlements as set out in the respective declaration of trust of each Fund.

21. The entitlements of each series of the Merged Fund to distributions will be determined based on the net asset values of each Fund. The proceeds will then be allocated proportionately within each series of the Merged Fund based on the original proportionate class interest entitlements from each Fund's initial public offering.

22. In connection with the Proposed Transaction, the management agreements of each Fund will be terminated and a new, consolidated management agreement will be entered into with the managers of each Fund, and the share terms providing for the "carried interest" that affiliates of the managers of each Fund are entitled to will be amended to account for the Proposed Transaction. No payout of the carried interest will occur pursuant to the Proposed Transaction.

23. The Proposed Transaction is a business combination for Fund II as Unitholders could have their interests in Fund II Units terminated without their consent, and related parties of Fund II, being the Fund II Managers, are parties to connected transactions to the Proposed Transaction, being the entering into of the consolidated management agreement and the amendments to the carried interest terms to preserve the carried interest, pursuant to which they may also be receiving a

collateral benefit. As a result, the Proposed Transaction is subject to the applicable requirements of MI 61-101. Such requirements include, among other things, approval of the Proposed Transaction by a majority of the votes cast by holders of each class of Fund II Units, excluding the votes attached to Fund II Units beneficially owned, or over which control or direction is exercised, by any party specified in subsection 8.1(2) of MI 61-101 (the Unitholders that do not need to be excluded, the "**Disinterested Unitholders**") at a meeting of Fund II Units of that class called to consider the Proposed Transaction.

24. Fund II has called a special meeting of holders of Fund II Units on July 24, 2024 to consider the Proposed Transaction (the "**Meeting**").

25. The Disinterested Unitholders in respect of the Proposed Transaction include all Unitholders, with the exception of the Fund II Managers, the executive officers of Fund II, and Marcus Kurschat, as principal of the Fund II Managers and a trustee of Fund II, and any related party or joint actor of any of them. As of the record date of the Meeting, none of these persons hold any Fund II Units, and accordingly, the Disinterested Unitholders hold 100% of each class of Fund II Units.

26. Fund II is exempt from the formal valuation requirement in MI 61-101 in respect of the Proposed Transaction on the basis of subsection 4.4(1) of MI 61-101 as no securities of Fund II are listed on a specified market.

27. The board of trustees of Fund II (the "**Board**"), the Independent Trustees (as defined below) and the Fund II Managers have each determined that:

    (a) no aspect of the Proposed Transaction will affect holders of one class of Fund II Units in a manner materially different than holders of another class of Fund II Units as all Unitholders will receive the formulaic and pre-established treatment as specified by their respective Proportionate Class Interest determined at the time of Fund II's initial public offering when investors selected their preferred class of Fund II Units (if applicable) and purchased or acquired their Fund II Units; and

    (b) no separate class vote is required for any aspect of the Proposed Transaction under the terms of the Fund II DOT.

28. The Proposed Transaction was proposed by the Fund Managers to Dale Williams and Abbas Osman, each of whom is independent of Fund II and the Fund II Managers for the purposes of MI 61-101 (the "**Independent Trustees**"). The Independent Trustees established a committee to consider the merits of the Proposed Transaction (the "**Independent Committee**").

29. The Proposed Transaction is, and was, subject to a number of mechanisms, which the Board believes ensures that the collective interests of Unitholders are protected, and that the Unitholders are treated fairly and in accordance with their voting and economic entitlements under the Fund II DOT. These include that:

    (a) Negotiation of the Proposed Transaction was overseen by the Independent Committee.

    (b) The Independent Committee supervised the preparation of a fairness opinion (the "**Fairness Opinion**") with respect to the Proposed Transaction. The Fairness Opinion was prepared on an individual basis for each Fund, having regard to its particular circumstances, and concluded that, based upon and subject to the assumptions, limitations and qualifications set out therein, the Proposed Transaction is fair, from a financial point of view to the Unitholders. The Fairness Opinion was included in the joint management information circular of the Funds dated June 24, 2024 in respect of the Proposed Transaction (the "**Information Circular**") that was prepared and sent to Unitholders.

    (c) The Independent Committee retained Wildeboer Dellelce LLP to act as its independent legal advisor.

    (d) The Fund II Managers retained CIBC World Markets Inc. to act as independent financial advisor in respect of the Proposed Transaction.

    (e) The Board exercised the requisite standard of care in accordance with the terms of the Fund II DOT with respect to the Proposed Transaction. Marcus Kurschat, as principal of the Fund II Managers, has and will continue to recuse himself from any Board deliberations and the passing of any resolutions in connection with the Proposed Transaction.

    (f) The Independent Committee determined that the net asset value attributable to Fund II, and the exchange ratio were reasonable.

    (g) The Independent Committee determined that the Proposed Transaction was in the best interests of Fund II and approved the Proposed Transaction.

    (h) The Proposed Transaction will be put before Unitholders for approval, which will be determined on the basis of a majority of the votes cast by Disinterested

Unitholders, voting together as a single class.

(i) The Information Circular included disclosure that Fund II has applied for the Exemption Sought and described the implications of the Exemption Sought, if granted.

30. Separate class votes by Unitholders would have the effect of granting disproportionate importance to a small group of Disinterested Unitholders of Class U Units (9.66% of the outstanding Fund II Units). Despite their relatively small holdings, Disinterested Unitholders in this group would be afforded a *de facto* veto right in respect of the Proposed Transaction that could be exercised against all other Unitholders. Because quorum for a meeting of a class of Unitholders is only 10% for each class, it is possible that a holder of less than 0.97% of the Fund II Units could effectively veto the Proposed Transaction. Such an outcome would not be in accordance with the reasonable expectations of Unitholders.

31. To the best of the knowledge of Fund II and the Fund II Managers, there is no reason to believe that the holders of Fund II Units of any particular class would not approve the Proposed Transaction where the holders of Fund II Units of any of the other classes are in favour.

32. As of July 18, 2024, neither Fund II nor the Fund II Managers have received any complaints or expressions of concern about the Proposed Transaction or the Exemption Sought.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) a special meeting of the Unitholders is held in order for the Disinterested Unitholders to consider and, if deemed advisable, approve the Proposed Transaction, such approval to be obtained with the Disinterested Unitholders voting together as a single class; and

(b) Fund II issues and files a press release announcing receipt of the Exemption Sought prior to the Meeting and describes the implications of same.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

B.3.6 Padlock Partners UK Fund III

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – application for relief from requirement to obtain separate minority approval for each class of units – declaration of trust provides that unitholders will vote as a single class unless the nature of the business affects holders of one class of units in a manner materially different from another class – independent directors have determined that the proposed business combination will not affect holders of one class of units in a manner materially different than holders of any other class of units – information circular included disclosure that relief from separate class vote requirement was being sought and described implications – requiring a class-by-class vote could give a de facto veto right to a very small group of unitholders – relief granted, subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 8.1(1) and 9.1(2).

July 19, 2024

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE
RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PADLOCK PARTNERS UK FUND III
("Fund III")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Fund III for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") exempting Fund III, pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), from the requirement in subsection 8.1(1) of MI 61-101 to obtain minority approval from the holders of every class of affected securities of Fund III, each voting separately as a class in connection with a proposed plan of arrangement pursuant to which Padlock Partners UK Fund I ("**Fund I**") will acquire all of the issued and outstanding trust units of Padlock Partners UK Fund II ("**Fund II**") and Fund III (together with Fund I and Fund II, the "**Funds**", and each, a "**Fund**"), and requiring

instead that minority approval be obtained from all Disinterested Unitholders (as defined below) voting together as a single class (the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) Fund III has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec and New Brunswick.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and MI 61-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by Fund III:

Overview of Fund III

1. Fund III is an unincorporated investment trust established under, governed by, and in good standing under, the laws of the Province of Ontario, pursuant to a declaration of trust dated May 31, 2022, as amended and restated on July 11, 2022 (the "**Fund III DOT**").

2. Fund III's head office is located at 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9.

3. Fund III is a reporting issuer in each province and territory of Canada and is not in default of any applicable requirements under the securities legislation thereunder.

4. Fund III's investment objectives are to: (i) provide holders of trust units ("**Unitholders**") with an opportunity to invest in a portfolio of diversified income-producing commercial real estate properties in the United Kingdom ("**UK**"), with a particular focus on self-storage and mixed-use properties; (ii) provide Unitholders with quarterly cash distributions; and (iii) enhance the potential for long-term growth of capital through rental escalations in tenant leases, acquisition and conversion opportunities from Fund III's unique position in the market, and a liquidity event by way of an exit into the public markets or other transaction.

5. Fund III owns interests in five properties located in the UK.

6. The beneficial interests in Fund III are divided into four classes of units (collectively, the "**Fund III Units**"): Class A units ("**Class A Units**"); Class C units ("**Class C Units**"); Class F units ("**Class F Units**"); and Class U units ("**Class U Units**").

7. As at the record date for the Meeting (as defined below), being June 20, 2024, there were 5,146,100 Fund III Units outstanding, consisting of 3,918,050 Class A Units, nil Class C Units, 1,110,550 Class F Units, and 117,500 Class U Units.

8. Accordingly, as at June 20, 2024, the Class A Units represented 76.14% of the issued and outstanding Fund III Units, the Class C Units represented 0% of the issued and outstanding Fund III Units, the Class F Units represented 21.58% of the issued and outstanding Fund III Units, and the Class U Units represented 2.28% of the issued and outstanding Fund III Units.

9. No class of Fund III Units are listed on a stock exchange.

10. Each Fund III Unit has the same rights and obligations, and no holder of Fund III Units is entitled to any privilege, priority or preference in relation to any other such holder, subject to the following:

(a) The Class A Units, Class C Units, Class F Units are denominated in Canadian dollars, while the Class U Units are denominated in pound sterling. The difference in currency denominations was intended to allow holders of Fund III Units the flexibility to invest in Fund III and receive distributions in either Canadian dollars or pound sterling.

(b) The Class A Units paid an agents' fee of C$0.575 per Class A Unit, the Class C Units did not pay an agents' fee, the Class F Units paid an agents' fee of $0.275 per Class F Unit and the Class U Units paid an agents' fee of £0.575 per Class U Unit.

(c) The proportionate entitlement of the holders of Class A Units, Class C Units, Class F Units and Class U Units (together, the "**Proportionate Class Interest**") to participate in distributions made by Fund III, including distributions of Net Realized Capital Gains (as defined in the Fund III DOT) or income, if any, and to receive proceeds on a redemption of Units and/or upon termination of Fund III, is essentially equal to (i) (A) the aggregate gross proceeds received by Fund III for the issuance of such class of Fund III Units less the agents' fee payable in respect of such class of Fund III Units, less (B) the aggregate amount paid in respect of redemptions of Fund III Units of such class, divided by (ii) the net proceeds of the initial public offering (being the gross proceeds less the agents' fee) for all classes of Fund III Units less the

aggregate amount paid in respect of all redemptions of Fund III Units.

11. Section 9.7 of the Fund III DOT provides that the Unitholders vote as a single class in respect of any matter to be voted upon unless the nature of the business to be transacted at the meeting affects holders of one class of Fund III Units in a manner materially different from its effect on holders of another class of Fund III Units, in which case the Fund III Units of the affected class will vote separately as a class.

12. Section 9.7 of the Fund III DOT also provides that in the event Fund III enters into a transaction that is subject to review under MI 61-101, and as a result requires approval from each class of Fund III Units, in each case voting separately as a class, Fund III will apply to applicable securities regulatory authorities for discretionary relief from such obligation given that (i) Section 9.7 of the Fund III DOT provides that Unitholders will vote as a single class unless the nature of the business to be transacted at the meeting of Unitholders affects holders of one class of Fund III Units in a manner materially different from its effect on holders of another class of Fund III Units, (ii) the relative returns of any proposed transaction to each class of Fund III Units are fixed pursuant to the formula set out in the Fund III DOT, and (iii) providing a class vote could grant disproportionate power to a potentially small number of Unitholders.

13. Fund III is managed by Clear Sky Capital, Inc. (the "**Canadian Manager**") and Padlock Capital Partners III, LLC (together with the Canadian Manager, the "**Fund III Managers**").

Proposed Transaction

14. On June 19, 2024, Fund I entered into an arrangement agreement with, among others, Fund II and Fund III pursuant to which Fund I will acquire all of the issued and outstanding trust units of Fund II and Fund III, thereby indirectly acquiring ownership of the interests in the real estate properties currently owned by Fund II and Fund III (the "**Proposed Transaction**").

15. Fund I is an unincorporated investment trust established under, governed by, and in good standing under, the laws of the Province of Ontario, pursuant to a declaration of trust dated July 8, 2020, as amended and restated on August 13, 2020 (the "**Fund I DOT**").

16. The interests in Fund I are divided into four classes of units (collectively, the "**Fund I Units**"): Class A units; Class C units; Class F units; and Class U units.

17. The interests in Fund II are divided into four classes of units (collectively, the "**Fund II Units**"): Class A units; Class C units; Class F units; and Class U units.

18. Fund I is managed by the Canadian Manager and Padlock Capital Partners, LLC (collectively, the "**Fund I Managers**"). Fund II is managed by the Canadian Manager and Padlock Capital Partners II, LLC (the "**Fund II Managers**", and together with the Fund I Managers, and the Fund III Managers, the "**Fund Managers**").

19. Pursuant to the Proposed Transaction, the Fund I DOT will be amended and Fund I will redesignate the Fund I Units as Fund I Units of Series 1, and will issue Fund I Units of Series 2 to holders of Fund II Units and Fund I Units of Series 3 to holders of Fund III Units. Each Series of Fund I Units will be divided into three (3) classes: Class A Units; Class F Units; and Class U Units. To maintain their existing proportionate entitlements and distributions in the applicable Fund, each holder of a Fund I Unit, Fund II Unit or Fund III Unit will receive a trust unit of the merged entity (the "**Merged Fund**") of the applicable series and class of the Merged Fund.

20. The Proposed Transaction will not alter the entitlements of existing unitholders of any of the Funds or otherwise provide for the payment of cash or assets to unitholders within a series of the Merged Fund in a manner that differs from their pre-established proportionate class interest entitlements as set out in the respective declaration of trust of each Fund.

21. The entitlements of each series of the Merged Fund to distributions will be determined based on the net asset values of each Fund. The proceeds will then be allocated proportionately within each series of the Merged Fund based on the original proportionate class interest entitlements from each Fund's initial public offering.

22. In connection with the Proposed Transaction, the management agreements of each Fund will be terminated and a new, consolidated management agreement will be entered into with the managers of each Fund, and the share terms providing for the "carried interest" that affiliates of the managers of each Fund are entitled to will be amended to account for the Proposed Transaction. No payout of the carried interest will occur pursuant to the Proposed Transaction.

23. The Proposed Transaction is a business combination for Fund III as Unitholders could have their interests in Fund III Units terminated without their consent, and related parties of Fund III, being the Fund III Managers, are parties to connected transactions to the Proposed Transaction, being the entering into of the consolidated management agreement and the amendments to the carried interest terms to preserve the carried interest, pursuant to which they may also be receiving a collateral benefit. As a result, the Proposed

Transaction is subject to the applicable requirements of MI 61-101. Such requirements include, among other things, approval of the Proposed Transaction by a majority of the votes cast by holders of each class of Fund III Units, excluding the votes attached to Fund III Units beneficially owned, or over which control or direction is exercised, by any party specified in subsection 8.1(2) of MI 61-101 (the Unitholders that do not need to be excluded, the "**Disinterested Unitholders**") at a meeting of Fund III Units of that class called to consider the Proposed Transaction.

24. Fund III has called a special meeting of holders of Fund III Units on July 24, 2024 to consider the Proposed Transaction (the "**Meeting**").

25. The Disinterested Unitholders in respect of the Proposed Transaction include all Unitholders, with the exception of the Fund III Managers, the executive officers of Fund III, and Marcus Kurschat, as principal of the Fund III Managers and a trustee of Fund III, and any related party or joint actor of any of them. As of the record date of the Meeting, none of these persons hold any Fund III Units, and accordingly, the Disinterested Unitholders hold 100% of each class of Fund III Units.

26. Fund III is exempt from the formal valuation requirement in MI 61-101 in respect of the Proposed Transaction on the basis of subsection 4.4(1) of MI 61-101 as no securities of Fund III are listed on a specified market.

27. The board of trustees of Fund III (the "**Board**"), the Independent Trustees (as defined below) and the Fund III Managers have each determined that:

    (a) no aspect of the Proposed Transaction will affect holders of one class of Fund III Units in a manner materially different than holders of another class of Fund III Units as all Unitholders will receive the formulaic and pre-established treatment as specified by their respective Proportionate Class Interest determined at the time of Fund III's initial public offering when investors selected their preferred class of Fund III Units (if applicable) and purchased or acquired their Fund III Units; and

    (b) no separate class vote is required for any aspect of the Proposed Transaction under the terms of the Fund III DOT.

28. The Proposed Transaction was proposed by the Fund Managers to Dale Williams and Abbas Osman, each of whom is independent of Fund III and the Fund III Managers for the purposes of MI 61-101 (the "**Independent Trustees**"). The Independent Trustees established a committee to consider the merits of the Proposed Transaction (the "**Independent Committee**").

29. The Proposed Transaction is, and was, subject to a number of mechanisms, which the Board believes ensures that the collective interests of Unitholders are protected, and that the Unitholders are treated fairly and in accordance with their voting and economic entitlements under the Fund III DOT. These include that:

    (a) Negotiation of the Proposed Transaction was overseen by the Independent Committee.

    (b) The Independent Committee supervised the preparation of a fairness opinion (the "**Fairness Opinion**") with respect to the Proposed Transaction. The Fairness Opinion was prepared on an individual basis for each Fund, having regard to its particular circumstances, and concluded that, based upon and subject to the assumptions, limitations and qualifications set out therein, the Proposed Transaction is fair, from a financial point of view to the Unitholders. The Fairness Opinion was included in the joint management information circular of the Funds dated June 24, 2024 in respect of the Proposed Transaction (the "**Information Circular**") that was prepared and sent to Unitholders.

    (c) The Independent Committee retained Wildeboer Dellelce LLP to act as its independent legal advisor.

    (d) The Fund III Managers retained CIBC World Markets Inc. to act as independent financial advisor in respect of the Proposed Transaction.

    (e) The Board exercised the requisite standard of care in accordance with the terms of the Fund III DOT with respect to the Proposed Transaction. Marcus Kurschat, as principal of the Fund III Managers, has and will continue to recuse himself from any Board deliberations and the passing of any resolutions in connection with the Proposed Transaction.

    (f) The Independent Committee determined that the net asset value attributable to Fund III, and the exchange ratio were reasonable.

    (g) The Independent Committee determined that the Proposed Transaction was in the best interests of Fund III and approved the Proposed Transaction.

    (h) The Proposed Transaction will be put before Unitholders for approval, which will be determined on the basis of a majority of the votes cast by Disinterested

Unitholders, voting together as a single class.

(i) The Information Circular included disclosure that Fund III has applied for the Exemption Sought and described the implications of the Exemption Sought, if granted.

30. Separate class votes by Unitholders would have the effect of granting disproportionate importance to a small group of Disinterested Unitholders of Class U Units (2.28% of the outstanding Fund III Units). Despite their relatively small holdings, Disinterested Unitholders in this group would be afforded a *de facto* veto right in respect of the Proposed Transaction that could be exercised against all other Unitholders. Because quorum for a meeting of a class of Unitholders is only 10% for each class, it is possible that a holder of less than 0.23% of the Fund III Units could effectively veto the Proposed Transaction. Such an outcome would not be in accordance with the reasonable expectations of Unitholders.

31. To the best of the knowledge of Fund III and the Fund III Managers, there is no reason to believe that the holders of Fund III Units of any particular class would not approve the Proposed Transaction where the holders of Fund III Units of any of the other classes are in favour.

32. As of July 18, 2024, neither Fund III nor the Fund III Managers have received any complaints or expressions of concern about the Proposed Transaction or the Exemption Sought.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

(a) a special meeting of the Unitholders is held in order for the Disinterested Unitholders to consider and, if deemed advisable, approve the Proposed Transaction, such approval to be obtained with the Disinterested Unitholders voting together as a single class; and

(b) Fund II issues and files a press release announcing receipt of the Exemption Sought prior to the Meeting and describes the implications of same.

"David Mendicino"
Manager, Corporate Finance Division
Ontario Securities Commission

B.4
Cease Trading Orders

B.4.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
ApartmentLove Inc.	July 16, 2024	
Planet Based Foods Global Inc.	July 16, 2024	
Organto Foods Inc.	July 16, 2024	
TAAT Global Alternatives Inc.	July 5, 2024	July 17, 2024
Planet Based Foods Global Inc.	July 16, 2024	July 22, 2024
The Planting Hope Company Inc.	July 22, 2024	

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.3 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Perk Labs Inc.	April 4, 2024	

Company Name	Date of Order	Date of Lapse
Organto Foods Inc.	May 8, 2024	
FRX Innovations Inc.	May 10, 2024	

B.7
Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

B.9
IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Capital Group Global Equity Select ETF™ (Canada)
Capital Group International Equity Select ETF™ (Canada)
Capital Group Multi-Sector Income Select ETF™ (Canada)
Capital Group World Bond Select ETF™ (Canada)
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jul 17, 2024
NP 11-202 Preliminary Receipt dated Jul 17, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06156578

Issuer Name:
iShares Flexible Monthly Income ETF
iShares Flexible Monthly Income ETF (CAD-Hedged)
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jul 19, 2024
NP 11-202 Preliminary Receipt dated Jul 19, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06157655

Issuer Name:
Capital Group Global Equity Select ETF™ (Canada)
Capital Group International Equity Select ETF™ (Canada)
Capital Group Multi-Sector Income Select ETF™ (Canada)
Capital Group World Bond Select ETF™ (Canada)
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jul 15, 2024
NP 11-202 Preliminary Receipt dated Jul 17, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06156578

Issuer Name:
RGP Emerging Markets Fund
RGP Global Equity Focused Fund
RGP Global Infrastructure Fund
Principal Regulator – Quebec
Type and Date:
Preliminary Simplified Prospectus dated Jul 16, 2024
NP 11-202 Preliminary Receipt dated Jul 17, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06156987

Issuer Name:
Canadian Equity Managed Pool
Canadian Equity Managed Class
US Equity Managed Pool
US Equity Managed Class
International Equity Managed Pool
International Equity Managed Class
Fixed Income Managed Pool
Fixed Income Managed Class
Tactical Asset Allocation Balanced Pool
Tactical Asset Allocation Balanced Class
Tactical Asset Allocation Balanced Growth Pool
Tactical Asset Allocation Balanced Growth Class
Tactical Asset Allocation Conservative Balanced Pool
Tactical Asset Allocation Conservative Balanced Class
Tactical Asset Allocation Conservative Pool
Tactical Asset Allocation Conservative Class
Tactical Asset Allocation Conservative Income Pool
Tactical Asset Allocation Conservative Income Class
Tactical Asset Allocation Equity Pool
Tactical Asset Allocation Equity Class
Tactical Asset Allocation Growth Pool
Tactical Asset Allocation Growth Class
Tactical Asset Allocation Income Pool
Tactical Asset Allocation Income Class
Tactical Asset Allocation Neutral Balanced Pool
Tactical Asset Allocation Neutral Balanced Class
Cash Management Pool
Short Term Income Pool
Short Term Income Corporate Class
Canadian Fixed Income Pool
Canadian Fixed Income Corporate Class
Global Fixed Income Pool
Global Fixed Income Corporate Class
Strategic Fixed Income Pool (formerly Global Income Allocation Pool)
Strategic Fixed Income Corporate Class (formerly Global Income Allocation Corporate Class)
Canadian Equity Value Pool
Canadian Equity Value Corporate Class
Canadian Equity Growth Pool
Canadian Equity Growth Corporate Class
Canadian Equity Alpha Pool
Canadian Equity Alpha Corporate Class
Canadian Equity Small Cap Pool
Canadian Equity Small Cap Corporate Class
US Equity Value Pool
US Equity Value Corporate Class
US Equity Growth Pool
US Equity Growth Corporate Class
US Equity Alpha Pool
US Equity Alpha Corporate Class
US Equity Small Cap Pool
US Equity Small Cap Corporate Class
International Equity Value Pool
International Equity Value Corporate Class
International Equity Growth Pool
International Equity Growth Corporate Class
International Equity Alpha Pool
International Equity Alpha Corporate Class
Emerging Markets Equity Pool
Emerging Markets Equity Corporate Class
Global Equity Allocation Pool
Global Equity Pool
Real Estate Investment Pool
Real Estate Investment Corporate Class
US Equity Value Currency Hedged Pool
US Equity Value Currency Hedged Corporate Class
International Equity Value Currency Hedged Pool
International Equity Value Currency Hedged Corporate Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jul 12, 2024
NP 11-202 Final Receipt dated Jul 17, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06146169 and 06146096

Issuer Name:
Evolve Canadian Utilities Enhanced Yield Index Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jul 18, 2024
NP 11-202 Preliminary Receipt dated Jul 18, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06157609

Issuer Name:
FDP Canadian Dividend Equity Portfolio
Principal Regulator – Quebec
Type and Date:
Amendment No. 1 to Final Simplified Prospectus dated July 11, 2024
NP 11-202 Final Receipt dated Jul 16, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06103831

Issuer Name:
Canada Life Money Market Fund
Canada Life Canadian Core Bond Fund
Canada Life Canadian Core Fixed Income Fund
Canada Life Canadian Core Plus Bond Fund
Canada Life Canadian Core Plus Fixed Income Fund
Canada Life Canadian Corporate Bond Fund
Canada Life Sustainable Global Bond Fund
Canada Life Global Core Plus Bond Fund
Canada Life Global Inflation-Linked Fixed Income Fund
Canada Life Floating Rate Income Fund
Canada Life Global Multi-Sector Fixed Income Fund
Canada Life Global Multi-Sector Bond Fund
Canada Life Unconstrained Fixed Income Fund
Canada Life North American High Yield Fixed Income Fund
Canada Life Canadian Fixed Income Balanced Fund
Canada Life Strategic Income Fund
Canada Life Canadian Value Balanced Fund
Canada Life Canadian Growth Balanced Fund
Canada Life Global Strategic Income Fund
Canada Life Global Growth and Income Fund
Canada Life Global Balanced Fund
Canada Life Canadian Dividend Fund
Canada Life Canadian Focused Growth Fund
Canada Life Canadian Value Fund
Canada Life Canadian Growth Fund
Canada Life Canadian Fundamental Equity Fund
Canada Life Canadian Focused Value Fund
Canada Life Canadian Focused Small-Mid Cap Fund
(formerly Canada Life Canadian Small-Mid Cap Fund)
Canada Life U.S. Dividend Fund
Canada Life U.S. Value Fund
Canada Life U.S. All Cap Growth Fund
Canada Life ESG U.S. Equity Fund
Canada Life U.S. Carbon Transition Equity Fund
Canada Life U.S. Concentrated Equity Fund
Canada Life U.S. Small-Mid Cap Growth Fund
Canada Life Global Low Volatility Fund
Canada Life Foreign Equity Fund
Canada Life Sustainable Global Equity Fund
Canada Life Global All Cap Equity Fund
Canada Life Global Growth Equity Fund
Canada Life Global Growth Opportunities Fund
Canada Life International Equity Fund
Canada Life International Value Fund
Canada Life International Concentrated Equity Fund
Canada Life Global Small-Mid Cap Growth Fund
Canada Life Emerging Markets Equity Fund
Canada Life Emerging Markets Large Cap Equity Fund
Canada Life Emerging Markets Concentrated Equity Fund
Canada Life Sustainable Emerging Markets Equity Fund
Canada Life Global Tactical Fund
Canada Life Diversified Real Assets Fund
Canada Life Global Resources Fund
Canada Life Precious Metals Fund
Canada Life Diversified Fixed Income Portfolio
Canada Life Conservative Portfolio
Canada Life Moderate Portfolio
Canada Life Balanced Portfolio
Canada Life Advanced Portfolio
Canada Life Aggressive Portfolio
Canada Life Risk-Managed Conservative Income Portfolio
Canada Life Risk-Managed Balanced Portfolio
Canada Life Risk-Managed Growth Portfolio
Canada Life Sustainable Conservative Portfolio
Canada Life Sustainable Balanced Portfolio
Canada Life Sustainable Growth Portfolio
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Jul 17, 2024
NP 11-202 Final Receipt dated Jul 18, 2024
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing # 06141687, 06141681 & 06141684

NON-INVESTMENT FUNDS

Issuer Name:
Rupert Resources Ltd.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 19, 2024
NP 11-202 Preliminary Receipt dated July 19, 2024
Offering Price and Description:
C$25,000,214.00
6,983,300 Common Shares
Price C$3.58 per Offered Share
Filing # 06156701

Issuer Name:
Fortified Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated July 18, 2024
NP 11-202 Preliminary Receipt dated July 18, 2024
Offering Price and Description:
Up to $5,000,000,000 Real Estate Secured Line of Credit Backed Notes
Filing # 06157543

Issuer Name:
Mercer Park Opportunities Corp.
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated July 16, 2024
NP 11-202 Final Receipt dated July 17, 2024
Offering Price and Description:
U.S.$200,000,000
20,000,000 Class A Restricted Voting Units
Price: U.S.$10.00 per Class A Restricted Voting Unit
Filing # 06149738

Issuer Name:
Gold Royalty Corp.
Principal Regulator –British Columbia
Type and Date:
Preliminary Shelf Prospectus dated July 15, 2024
NP 11-202 Preliminary Receipt dated July 15, 2024
Offering Price and Description:
US$250,000,000 - Common Shares, Preferred Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing # 06156707

Issuer Name:
Saga Metals Corp.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated July 11, 2024
NP 11-202 Final Receipt dated July 15, 2024
Offering Price and Description:
Minimum of $2,500,000
2,500,000 Hard Dollar Units $0.40 per Hard Dollar Unit
1,041,667 Standard Flow-Through Units
$0.48 per Standard Flow-Through Unit
1,666,667 Charity Flow-Through Units
$0.60 per Charity Flow-Through Unit
Filing # 06120135

Issuer Name:
The Descartes Systems Group Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus dated July 15, 2024
NP 11-202 Final Receipt dated July 15, 2024
Offering Price and Description:
Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Units
Filing # 06156506

B.10
Registrations

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	1642 Capital Inc.	Portfolio Manager	June 11, 2024
Voluntary Surrender	CASSIDY ASSET MANAGEMENT INC.	Portfolio Manager and Exempt Market Dealer	June 24, 2024
Change of Registration Category	RIDGEWOOD CAPITAL ASSET MANAGEMENT INC.	From: Mutual Fund Dealer Investment Fund Manager Exempt Market Dealer Portfolio Manager To: Investment Fund Manager Exempt Market Dealer Portfolio Manager	March 20, 2024
Change in Registration Categories	Palisade Capital Management Ltd.	From: Investment Fund Manager and Exempt Market Dealer To: Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	July 18, 2024
New Registration	LFIS Canada Inc.	Portfolio Manager and Commodity Trading Manager	July 18, 2024

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 Alpha Exchange Inc. – Self-Trade Management – Notice of Approval

ALPHA EXCHANGE INC.

NOTICE OF APPROVAL

SELF-TRADE MANAGEMENT

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto for recognized exchanges, Alpha Exchange Inc. ("**Alpha**") has adopted, and the Ontario Securities Commission has approved, certain amendments relating to how Self-Trade Management interacts with Self-Trade Prevention on Alpha, as set out in the Notice of Proposed Amendments and Request for Comment (the "**Request for Comments**") published by Alpha (the "**Amendments**").

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning ascribed to them in the Request for Comments.

Summary of the Amendments

A copy of the Amendments can be found at www.osc.ca.

Comments Received

On June 6, 2024, Alpha published the Request for Comments and no comment letters were received.

Effective Date

The Amendments will be effective in Q4 2024.

B.11.2.2 TSX Inc. – Self-Trade Management – Notice of Approval

TSX INC.

NOTICE OF APPROVAL

SELF-TRADE MANAGEMENT

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto for recognized exchanges, TSX Inc. ("**TSX**") has adopted, and the Ontario Securities Commission has approved, certain changes to how Self-Trade Management interacts with Self-Trade Prevention on TSX, as set out in the Notice of Proposed Amendments and Request for Comment (the "**Request for Comments**") published by TSX (the "**Changes**").

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning ascribed to them in the Request for Comments.

Summary of the Changes

A copy of the Changes can be found at www.osc.ca.

As set out in the Request for Comment, amendments to the TSX Rule Book are not required to reflect the Changes.

Comments Received

On June 6, 2024, TSX published the Request for Comments and no comment letters were received.

Effective Date

The Changes will be effective in Q4 2024.

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