

The Ontario Securities Commission

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The Ontario Securities Commission administers the *Securities Act* of Ontario (R.S.O. 1990, c. S.5) and the *Commodity Futures Act* of Ontario (R.S.O. 1990, c. C.20)

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# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 CSA Staff Notice 31-340 – OBSI Joint Regulators Committee Annual Report for 2014



### CSA Staff Notice 31-340

#### OBSI Joint Regulators Committee Annual Report for 2014

March 19, 2015

#### Introduction

This notice is being published jointly by the Canadian Securities Administrators (CSA) (other than Québec), the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) to serve as the first Annual Report of the Joint Regulators Committee (JRC) of the Ombudsman for Banking Services and Investments (OBSI).

The JRC meets regularly with OBSI to discuss governance and operational matters and other significant issues that could influence the effectiveness of the dispute resolution system.

The purpose of this report is to provide an overview of the JRC and to highlight the major activities conducted by the JRC in 2014.

#### Background to Establishment of the JRC

In December 2013, OBSI announced changes<sup>1</sup> to its terms of reference (OBSI TORs) and to its processes following substantial governance reforms.

In 2014, amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the Amendments) came into force requiring all registered dealers and advisers, outside of Québec, to use OBSI as the common service provider for dispute resolution services. In Québec, the Autorité des marchés financiers (AMF) provides a mediation service to those clients of all registered dealers and advisers who reside in Québec. The Québec regime remains unchanged and firms registered in Québec have to inform clients residing in Québec of the availability of the AMF mediation service.

Prior to August 2014, IIROC and MFDA (together referred to as the self-regulatory organizations or SROs) already mandated the use of OBSI as the dispute resolution service provider for their member firms. SRO members continue to be subject to their SRO's rules concerning complaint handling. After August 1, 2014 all registered dealers and registered advisers, including portfolio managers (PM), exempt market dealers (EMD) and scholarship plan dealers (SPD), had to make OBSI available to their clients as their dispute resolution provider.

The CSA created a framework intended to ensure that OBSI will have the ability to effectively discharge its mandate under the Amendments. A Memorandum of Understanding<sup>2</sup> (MOU) provides an oversight framework for the participating CSA members and OBSI to cooperate and communicate constructively.

<sup>1</sup> For details see <http://www.obsi.ca/en/news-a-publications/339-obsi-board-approves-new-terms-of-reference>

<sup>2</sup> For details see: [https://www.bcsc.bc.ca/Securities\\_Law/Policies/PolicyBCN/BCN2013/10\\_Notice\\_of\\_Memorandum\\_of\\_Understanding\\_concerning\\_oversight\\_of\\_the\\_Ombudsman\\_for\\_Banking\\_Services\\_and\\_Investments\\_\(OBSI\)\\_BCN/](https://www.bcsc.bc.ca/Securities_Law/Policies/PolicyBCN/BCN2013/10_Notice_of_Memorandum_of_Understanding_concerning_oversight_of_the_Ombudsman_for_Banking_Services_and_Investments_(OBSI)_BCN/)

The CSA jurisdictions and OBSI agreed with the SROs to form the OBSI JRC with a mandate to:

- facilitate a holistic approach to information sharing and monitor the dispute resolution process with an overall view to promoting investor protection and confidence in the external dispute resolution system;
- support fairness, accessibility and effectiveness of the dispute resolution process;
- facilitate regular communication and consultation among JRC members and OBSI.

OBSI provides the JRC with information as contemplated by the MOU.

### Overview of JRC Activities in 2014

In 2014, the inaugural year of the establishment of the JRC, four meetings were held. The following matters were considered:

1. **Compensation refusals:** The JRC discussed compensation refusals published by OBSI. The JRC will monitor compensation refusal cases and consider patterns or issues raised by them. While OBSI recommendations are not binding, the JRC expects firms to act in good faith when participating in OBSI processes.
2. **Systemic issues:** Given the removal of the investigation of systemic issues from the OBSI TORs, the MOU provides for reporting by OBSI's Board of issues that appear likely to have significant regulatory implications, including issues that appear to affect multiple clients. The JRC is in the process of establishing a protocol to define potential systemic cases and to set out a regulatory approach to address these issues when reported by OBSI.
3. **Form of quarterly reporting by OBSI to JRC:** The JRC and OBSI established a standardized form of quarterly reporting to assist in monitoring trends and patterns of complaints. The reporting also covers the time it takes OBSI to handle complaints.
4. **Transition of new members to OBSI:** The JRC monitored and provided support and guidance to OBSI on the transition of new members to OBSI.
5. **Independent evaluation of OBSI:** The JRC discussed the requirement under the MOU for an independent review of OBSI's operations and practices that is required within two years of the Amendments (in 2016). The review will be undertaken by an evaluator acceptable to the CSA in consultation with the JRC.

The meetings provided the JRC with an opportunity to be updated by OBSI on certain matters. These matters included:

1. **OBSI process enhancements:** OBSI reported on its process enhancements aimed at meeting the 180-day timeline standard set by its Board (80% of case files closed within 180 days). OBSI reports that all cases which came to OBSI after November 1, 2013 are expected to meet this standard and older cases are on track to be eliminated by end of April 2015.
2. **Reports about onboarding of new membership groups:** OBSI reported quarterly on their preparation for the increase in members with the addition of the EMD, PM and SPD registrant categories, including hiring and training of staff.
3. **Blanket tolling agreement:** OBSI reported on the adoption of a blanket tolling agreement<sup>3</sup>, thereby suspending limitation periods while OBSI considers a complaint. This applies to new complaints received by OBSI after October 27, 2014.
4. **Segregated funds and the protocol for OBSI/OLHI cooperation:** OBSI reported on its new protocol<sup>4</sup> for referring complaints related to segregated funds to the Ombudservice for Life and Health Insurance (OLHI).

### JRC Meeting with OBSI Board of Directors

As required by the MOU, the annual meeting of the JRC with OBSI's Board was held on September 23, 2014. The meeting included discussions of operating and governance issues and the effectiveness of OBSI's processes.

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<sup>3</sup> For details see: <http://www.obsi.ca/en/about-us/how-we-work/tolling-agreement>

<sup>4</sup> For details see: <http://www.obsi.ca/en/news-a-publications/381-obsi-update-october-2014>

## Questions

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1.2 Notices of Hearing

1.2.1 Christopher Reaney – s. 8

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

**AND**

**IN THE MATTER OF  
CHRISTOPHER REANEY**

**NOTICE OF HEARING  
(Section 8)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing at the offices of the Commission at 20 Queen Street West, 17th Floor, Hearing Room B on March 31, 2015 at 10:00 a.m., or as soon thereafter as the hearing can be held;

**AND TAKE FURTHER NOTICE** that the purpose of the hearing is to consider a request made by Christopher Reaney for a hearing and review of a decision of a Director dated January 5, 2015;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary’s Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l’avis d’audience est disponible en français, que la participation à l’audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l’audience si le participant demande qu’une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 9th day of March, 2015.

“Josée Turcotte”  
Secretary to the Commission



1.2.2 Satish Talawdekar and Anand Hariharan – ss. 127, 127.1

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

AND

IN THE MATTER OF  
SATISH TALAWDEKAR AND ANAND HARIHARAN

AND

IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION AND  
ANAND HARIHARAN

NOTICE OF HEARING  
(Sections 127 and 127.1 of the Securities Act)

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., c. S.5, as amended (the “Act”), at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on the 31st day of March, 2015 at 2:00 p.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement between Staff of the Commission (“Staff”) and Anand Hariharan pursuant to sections 127 and 127.1 of the Act;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff, dated March 11, 2015 and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings.

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary’s Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l’avis d’audience est disponible en français, que la participation à l’audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l’audience si le participant demande qu’une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 11th day of March 2015.

“Josée Turcotte”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
SATISH TALAWDEKAR AND ANAND HARIHARAN**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege as follows:

**Overview**

1. This is a case of insider tipping, trading and conduct contrary to the public interest.
2. The case centres on two close, childhood friends: Satish Talawdekar (“Talawdekar”) and Anand Hariharan (“Hariharan”). In summary, Talawdekar purchased shares of MDA with knowledge of the acquisition of a major subsidiary of Loral Space & Communications Inc. (“Loral”) by his employer MacDonald, Dettwiler & Associates Inc. (“MDA” and “the Acquisition”). Talawdekar also tipped his friend Hariharan concerning the Acquisition, who, in turn, bought call option contracts for Loral shares and made significant profits following the announcement of the Acquisition.
3. At the relevant time, MDA was an Ontario reporting issuer but Loral was not a reporting issuer in Ontario.
4. By engaging in the conduct more fully described below:
  - a. Talawdekar engaged in unlawful insider trading in contravention of subsection 76(1) of the *Securities Act*, RSO 1990, c. S.5, as amended (the “Act”) and unlawful insider tipping contrary to subsection 76(2) of the Act; and
  - b. Hariharan engaged in trading in securities of Loral (a non-Ontario reporting issuer) with knowledge of a material, undisclosed fact concerning Loral, which was contrary to the public interest.

**The Respondents**

5. Talawdekar is a resident of Mississauga, Ontario and was at the time of the conduct described herein employed as a manager in the IT department of MDA’s Brampton offices.
6. Hariharan, Talawdekar’s close, childhood friend, is a resident of Mississauga, Ontario and was at the time of the trading described herein employed as an aircraft maintenance engineer.

**The Acquisition and Announcement**

7. At 9:25 PM on June 26, 2012, MDA publicly announced the Acquisition (the “Announcement”). Below is a table representing the market impact of the Announcement on the price of Loral and MDA shares:

<b>Security Description</b>	<b>Marketplace Closing Share Price June 26, 2012</b>	<b>Marketplace Closing Share Price June 27, 2012</b>	<b>Dollar Increase in Share Price</b>	<b>Percentage Increase</b>
MDA shares	\$44.65	\$57.13	\$12.48	28%
Loral shares	US \$59.36	US \$67.21	\$7.85	13.2%

8. MDA issued a material change report concerning the Acquisition on June 29, 2012.
9. MDA’s Acquisition was a material fact to both Loral and to MDA.
10. Talawdekar became aware of the Acquisition in the course of his employment before there was general disclosure by MDA, which only occurred with the Announcement.

11. Talawdekar purchased MDA shares with knowledge of a material, undisclosed fact. He also conveyed the substance of the material non-public information respecting the Acquisition to his friend Hariharan before it was generally disclosed.

12. As a result of receiving this tip, starting on the day before the Announcement and continuing on the day of the Announcement (but before the Announcement), Hariharan purchased a total of 220 short-dated, out-of-the-money call option contracts of Loral.

#### ***Knowledge of Talawdekar of the Material Information***

13. In the months leading up to the Announcement, several employees at MDA's Brampton offices participated in the due diligence process for the proposed Acquisition. While Talawdekar was not part of the due diligence team, his workstation was located in close proximity to members of the due diligence team.

#### ***Chronology of Key Events***

14. On Thursday, June 21, 2012, Talawdekar learned of material undisclosed information, namely that MDA was going to be part of a major, transformative acquisition. Talawdekar then transferred \$45,000 from his line of credit to his brokerage account (by 3:18 PM) and purchased 1,000 shares of MDA at a cost of \$44,365.45 (by 3:26 PM). The cost of purchasing the MDA securities was approximately 50% of his yearly gross salary. Prior to those purchases, Talawdekar had not purchased MDA securities for over 20 months and had not drawn upon his line of credit for at least 10 months.

#### ***Talawdekar Tips Hariharan concerning the Acquisition***

15. On or about, Monday, June 25, 2012, Talawdekar learned further details concerning the Acquisition, including that the target of the acquisition was Loral's subsidiary and the transaction would be announced imminently.

16. Beginning later that same day and continuing the next day, Talawdekar engaged in a series of telephone calls with his friend Hariharan and informed him of those facts, which were material and generally undisclosed.

17. As a result of receiving this tip, Hariharan purchased 220 call option contracts of Loral on June 26, 2012 prior to the Announcement at a cost of \$11,019.90. This provided Hariharan with the right to purchase 22,000 Loral shares if the price went up to the strike price set out in the contract.

#### ***Profit Made by Hariharan***

18. The day following the Announcement, Hariharan sold all of the 220 Loral option contracts, realizing a combined profit of US\$68,683.40, a 623% return in one day.

#### ***Profit Made by Talawdekar***

19. On June 27, 2012, shortly after the Announcement, Talawdekar sold the 1,000 shares of MDA for \$56,039.05 with a profit of \$11,673.60, a 26.3% return in seven days.

#### ***Breaches of Act and Conduct Contrary to the Public Interest***

20. Talawdekar, as an employee of MDA was a person in a special relationship with MDA in accordance with subsection 76(5)(c)(i) of the Act at the time of the subject trading,

- a) Purchased MDA securities with knowledge of material undisclosed information respecting MDA, contrary to section 76(1) of the Act, and
- b) Informed his friend Hariharan of the Acquisition, which was a material, generally-undisclosed fact in respect of MDA, thereby breaching section 76(2) of the Act and also thereby acted contrary to the public interest.

21. While Hariharan's conduct involving the purchase of Loral call option contracts as outlined above did not technically contravene s. 76(1) of the Act (because Loral was not an Ontario reporting issuer), his conduct impugned the integrity and fairness of the capital markets because of the misuse of material, confidential information obtained from Talawdekar. Consequently Hariharan's conduct was contrary to the public interest.

22. Such additional allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto this 11th day of March 2015.

1.2.3 Satish Talawdekar and Anand Hariharan – ss. 127, 127.1

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

AND

IN THE MATTER OF  
SATISH TALAWDEKAR AND ANAND HARIHARAN

AND

IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION AND  
SATISH TALAWDEKAR

NOTICE OF HEARING  
(Sections 127 and 127.1 of the Securities Act)

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**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement between Staff of the Commission (“Staff”) and Satish Talawdekar pursuant to sections 127 and 127.1 of the Act;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff, dated March 11, 2015 and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings.

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**DATED** at Toronto, this 11th day of March 2015.

“Josée Turcotte”  
Secretary to the Commission

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THE SECURITIES ACT,  
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SATISH TALAWDEKAR AND ANAND HARIHARAN**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege as follows:

**Overview**

1. This is a case of insider tipping, trading and conduct contrary to the public interest.
2. The case centres on two close, childhood friends: Satish Talawdekar (“Talawdekar”) and Anand Hariharan (“Hariharan”). In summary, Talawdekar purchased shares of MDA with knowledge of the acquisition of a major subsidiary of Loral Space & Communications Inc. (“Loral”) by his employer MacDonald, Dettwiler & Associates Inc. (“MDA” and “the Acquisition”). Talawdekar also tipped his friend Hariharan concerning the Acquisition, who, in turn, bought call option contracts for Loral shares and made significant profits following the announcement of the Acquisition.
3. At the relevant time, MDA was an Ontario reporting issuer but Loral was not a reporting issuer in Ontario.
4. By engaging in the conduct more fully described below:
  - a. Talawdekar engaged in unlawful insider trading in contravention of subsection 76(1) of the *Securities Act*, RSO 1990, c. S.5, as amended (the “Act”) and unlawful insider tipping contrary to subsection 76(2) of the Act; and
  - b. Hariharan engaged in trading in securities of Loral (a non-Ontario reporting issuer) with knowledge of a material, undisclosed fact concerning Loral, which was contrary to the public interest.

**The Respondents**

5. Talawdekar is a resident of Mississauga, Ontario and was at the time of the conduct described herein employed as a manager in the IT department of MDA’s Brampton offices.
6. Hariharan, Talawdekar’s close, childhood friend, is a resident of Mississauga, Ontario and was at the time of the trading described herein employed as an aircraft maintenance engineer.

**The Acquisition and Announcement**

7. At 9:25 PM on June 26, 2012, MDA publicly announced the Acquisition (the “Announcement”). Below is a table representing the market impact of the Announcement on the price of Loral and MDA shares:

Security Description	Marketplace Closing Share Price June 26, 2012	Marketplace Closing Share Price June 27, 2012	Dollar Increase in Share Price	Percentage Increase
MDA shares	\$44.65	\$57.13	\$12.48	28%
Loral shares	US \$59.36	US \$67.21	\$7.85	13.2%

8. MDA issued a material change report concerning the Acquisition on June 29, 2012.
9. MDA’s Acquisition was a material fact to both Loral and to MDA.
10. Talawdekar became aware of the Acquisition in the course of his employment before there was general disclosure by MDA, which only occurred with the Announcement.

11. Talawdekar purchased MDA shares with knowledge of a material, undisclosed fact. He also conveyed the substance of the material non-public information respecting the Acquisition to his friend Hariharan before it was generally disclosed.

12. As a result of receiving this tip, starting on the day before the Announcement and continuing on the day of the Announcement (but before the Announcement), Hariharan purchased a total of 220 short-dated, out-of-the-money call option contracts of Loral.

#### ***Knowledge of Talawdekar of the Material Information***

13. In the months leading up to the Announcement, several employees at MDA's Brampton offices participated in the due diligence process for the proposed Acquisition. While Talawdekar was not part of the due diligence team, his workstation was located in close proximity to members of the due diligence team.

#### ***Chronology of Key Events***

14. On Thursday, June 21, 2012, Talawdekar learned of material undisclosed information, namely that MDA was going to be part of a major, transformative acquisition. Talawdekar then transferred \$45,000 from his line of credit to his brokerage account (by 3:18 PM) and purchased 1,000 shares of MDA at a cost of \$44,365.45 (by 3:26 PM). The cost of purchasing the MDA securities was approximately 50% of his yearly gross salary. Prior to those purchases, Talawdekar had not purchased MDA securities for over 20 months and had not drawn upon his line of credit for at least 10 months.

#### ***Talawdekar Tips Hariharan concerning the Acquisition***

15. On or about, Monday, June 25, 2012, Talawdekar learned further details concerning the Acquisition, including that the target of the acquisition was Loral's subsidiary and the transaction would be announced imminently.

16. Beginning later that same day and continuing the next day, Talawdekar engaged in a series of telephone calls with his friend Hariharan and informed him of those facts, which were material and generally undisclosed.

17. As a result of receiving this tip, Hariharan purchased 220 call option contracts of Loral on June 26, 2012 prior to the Announcement at a cost of \$11,019.90. This provided Hariharan with the right to purchase 22,000 Loral shares if the price went up to the strike price set out in the contract.

#### ***Profit Made by Hariharan***

18. The day following the Announcement, Hariharan sold all of the 220 Loral option contracts, realizing a combined profit of US\$68,683.40, a 623% return in one day.

#### ***Profit Made by Talawdekar***

19. On June 27, 2012, shortly after the Announcement, Talawdekar sold the 1,000 shares of MDA for \$56,039.05 with a profit of \$11,673.60, a 26.3% return in seven days.

#### ***Breaches of Act and Conduct Contrary to the Public Interest***

20. Talawdekar, as an employee of MDA was a person in a special relationship with MDA in accordance with subsection 76(5)(c)(i) of the Act at the time of the subject trading,

- a) Purchased MDA securities with knowledge of material undisclosed information respecting MDA, contrary to section 76(1) of the Act, and
- b) Informed his friend Hariharan of the Acquisition, which was a material, generally-undisclosed fact in respect of MDA, thereby breaching section 76(2) of the Act and also thereby acted contrary to the public interest.

21. While Hariharan's conduct involving the purchase of Loral call option contracts as outlined above did not technically contravene s. 76(1) of the Act (because Loral was not an Ontario reporting issuer), his conduct impugned the integrity and fairness of the capital markets because of the misuse of material, confidential information obtained from Talawdekar. Consequently Hariharan's conduct was contrary to the public interest.

22. Such additional allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto this 11th day of March 2015.

1.2.4 Blue Gold Holdings Ltd. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF  
BLUE GOLD HOLDINGS LTD., DEREK BLACKBURN,  
RAJ KURICHH AND NIGEL GREENING

NOTICE OF HEARING  
(Sections 127 and 127.1 of the Securities Act)

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., c. S.5, as amended (the “Act”), at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on April 10, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether, in the Commission's opinion, it is in the public interest for the Commission to make the following orders:

- (a) that trading in any securities or derivatives by Blue Gold Holdings Ltd., Derek Blackburn (“Blackburn”), Raj Kurichh (“Kurichh”) and Nigel Greening (“Greening”) (collectively, the “Respondents”) cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (b) that the acquisition of any securities by the Respondents be prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- (c) that any exemptions contained in Ontario securities law not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- (d) that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- (e) that Blackburn, Kurichh and Greening (collectively, the “Individual Respondents”) resign any positions that they hold as directors or officers of an issuer, registrant or investment fund managers pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- (f) that the Individual Respondents be prohibited from becoming or acting as directors or officers of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- (g) that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- (h) that the Respondents each pay an administrative penalty of not more \$1 million for each failure by the Respondents to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- (i) that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- (j) that the Respondents pay the costs of the Commission's investigation and the costs of or related to any hearing before the Commission, pursuant to section 127.1 of the Act; and
- (k) such other order as the Commission considers appropriate.

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings.

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 11th day of March, 2015.

“JoséeTurcotte”



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

**AND**

**IN THE MATTER OF  
BLUE GOLD HOLDINGS LTD., DEREK BLACKBURN,  
RAJ KURICHH AND NIGEL GREENING**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

**I. OVERVIEW**

1. This proceeding involves the conduct of the three founders and directing minds of Blue Gold Holdings Ltd. ("BGH"), Derek Blackburn ("Blackburn"), Nigel Greening ("Greening"), and Raj Kurichh ("Kurichh") (collectively the "Founders" or with BGH the "Respondents"), in connection with the unregistered sale and illegal distribution of the securities of BGH contrary to subsections 25(1) and 53(1) of the *Securities Act*, R.S.O. 1990, as amended (the "Act"); and in connection with statements made relating to the securities of BGH that were prohibited by subsection 38(3) of the Act; and who deceived investors by engaging in acts, practices or courses of conduct that they knew or reasonably ought to have known perpetrated a fraud contrary to subsection 126.1(b) of the Act and contrary to the public interest.

2. Between July 2010 and April 2013 (the "Material Time"), Blackburn, Greening and Kurichh raised approximately \$1.5 million from approximately 100 investors in Ontario through the unregistered sale and illegal distribution of the securities of BGH.

3. In promoting BGH shares to potential investors, Blackburn and Kurichh made representations prohibited under the Act that BGH would soon be listed on a public stock exchange.

4. In addition to making statements specifically prohibited by subsection 38(3) of the Act, Blackburn and Kurichh deceived investors by making numerous other misleading or untrue statements while promoting the securities of BGH, including the price at which the shares would be listed and the future value of the shares; and Blackburn engaged in fraudulent conduct directly or indirectly by his use of investor funds for personal expenditures; and the individual Respondents further defrauded investors by participating in a scheme which provided them with a larger interest in the business and diluted the interest of minority shareholders in the business, and ultimately in the public company.

**II. THE RESPONDENTS**

5. BGH is a privately held Ontario company incorporated on March 18, 2010 whose head office was in Mississauga, Ontario.

6. Blackburn was during the Material Time a director and the President and Chief Executive Officer of BGH. Blackburn is a resident of Ontario.

7. Greening was during the Material Time a director and the Executive Vice-President, Field Operations and Installations of BGH. Greening is a resident of England.

8. Kurichh was during the Material Time an officer of BGH, and from December 14, 2012, Kurichh became Director of BGH. Kurichh is a resident of Ontario.

**III. BACKGROUND TO ALLEGATIONS**

**A. Unregistered Trading in Securities and Illegal Distributions**

9. In March 2010, Blackburn, Greening and Kurichh founded BGH and each obtained 3,278,165 shares in BGH for nominal consideration.

10. During the Material Time, Blackburn & Kurichh solicited potential investors, primarily in Ontario, to buy the securities of BGH by doing the following:

- (a) arranging and/or attending information sessions and one-on-one meetings with potential investors as well as calls and/or emails with such investors to discuss BGH, its business and the nature of the investment;
- (b) preparing, approving and/or providing promotional materials to investors;
- (c) providing potential investors with subscription agreements; and
- (d) receiving and depositing subscription funds.

11. Throughout the Material Time, Blackburn and Kurichh deceived investors by making the following misleading statements either orally or in the written marketing materials:

- (a) January 2011: BGH marketing materials state that BGH has received formal or informal approval for BGH projects from Ontario government organizations. In reality, BGH had only engaged in preliminary communications with the Ontario Clean Water Agency ("OCWA") and the Ontario Ministry of the Environment ("MOE"), and had received no MOE approvals, and was asked by the OCWA to remove public statements posted online regarding such approvals;
- (b) April 2012: BGH marketing materials claim that there is a "projects pipeline" with potential revenue of \$50 million in 2012. In fact any discussions on potential projects were at a preliminary or exploratory stage and the revenue projections could not be supported based on those discussions;
- (c) August 2012: By August of the same year, BGH marketing materials claim that there are, "*30 contracts in the sales pipeline in Canada, Mexico and South Africa, worth approx. \$100 million in annual revenue, with 60% gross margins;*" In fact by August 2012 there were no contracts in the pipelines for BGH, and Blackburn and/or Kurichh had begun to divert business opportunities away from BGH;
- (d) Certain investors were told that BGH securities were being offered to select investors at a discounted rate but that this opportunity was only available for a limited time. In fact Blackburn and/or Kurichh were actively seeking new investors throughout the Material Time; and
- (e) Certain investors were told by Blackburn and/or Kurichh that BGH securities were a safe investment and/or that it was not risky, and the money would stay in a trust account. The foregoing statements were misleading at the time, and remain untrue.

12. As a result of this activity, the Respondents raised approximately 1.5 million from approximately 100 investors, primarily in Ontario during the Material Time.

13. None of the Respondents are registered with the Commission, or were during the Material Time, and no exemptions from registration were available to them under the Act.

14. The sales of the BGH securities were trades in securities not previously issued and were therefore distributions. BGH has never filed a preliminary prospectus with the Commission and no prospectus receipt has ever been issued to qualify the distribution of BGH securities in circumstances where no exemptions were available.

15. By engaging in the conduct set out above, the Respondents engaged in the business of trading in securities in circumstances where they were not registered to do so, and where no exemptions were available; and distributed securities without filing a preliminary prospectus and a prospectus, in circumstances where no exemptions were available to the Respondents pursuant to the Act, contrary to subsections 25(1) and 53(1) of the Act.

## **B. Prohibited Representations**

16. In promoting the securities, Blackburn and Kurichh made representations on behalf of BGH to investors that BGH would be going public and its securities would be soon be listed on a stock exchange.

17. The representations regarding listing BGH on an exchange were made with the intention of effecting a trade in securities of BGH, without the permission of the Director, and without an application having been made to list or quote the securities, nor had the exchange granted approval to the listing, consented to or otherwise indicated that it did not object to the representation. By making those statements in those circumstances, Blackburn and Kurichh made prohibited representations contrary to subsection 38(3) of the Act.

**C. Fraudulent Conduct**

18. Throughout the Material Time funds raised from investors were being deposited in BGH's bank accounts and then subsequently transferred to, and comingled with, personal funds of Blackburn. Blackburn used in excess of \$500,000 of BGH investor funds for his personal use. By the end of 2012 BGH had almost no funds in its bank accounts.

19. BGH required significant additional funds to continue operations and development, and in January 2012 Blackburn began negotiations with Golden Cross Resources Inc., an existing public company (the "GOX") to fund operations and a listing transaction. A letter of intent was entered into whereby the GOX would provide funds in exchange for acquiring the assets of BGH through a reverse take-over ("RTO") and amalgamation with the GOX. The amalgamated entity then changed its name and is currently publically listed as NanoStruck Technologies Inc.

20. At this time books and records of BGH were either non-existent or in such a state that audited financial statements could not be produced, nor could reasonable due diligence be performed, and a new company with a clean history was required with which to amalgamate.

21. In April 2012, Blackburn incorporated a new company by the name of Blue Gold Tailings Technologies Ltd. ("BGTT"). BGTT was incorporated for the specific purpose of commercializing the technologies, and capitalizing on business opportunities that had been developed and funded by BGH and its investors.

22. To determine the value of the assets that would be acquired in the amalgamation, two independent Valuers were retained. The first Valuator was retained by Blackburn and deemed the assets to be worth \$32 million. The second Valuator was retained by the GOX and deemed the assets to be worth approximately \$8-\$9 million. However, prior to the amalgamation, the assets of BGH had to be sold or transferred to BGTT. Neither of the valuations, their content or substance, was disclosed to the shareholders of BGH.

23. To effect the sale or transfer of the assets of BGH to BGTT, the Board of BGH sent a Notice of Special Meeting of Shareholders (the "First Notice") dated December 3, 2012, advising that shareholders would be asked to vote to approve the sale of substantially all of the assets of BGH to BGTT in exchange for 30,518,075 shares or approximately \$1.5 million. In the First Notice the Board advised in bold that, "*Your board of directors has determined that the transaction is in the best interest of the Corporation and recommends you vote FOR the Asset Sale Resolution*".

24. To retain their ownership interest, and in advance of the First Notice, the Founders had already caused to be issued to themselves approximately 14,000,000 additional shares in BGTT, for little or no consideration, and further diluted shareholders by "gifting" approximately 28,000,000 additional shares to individuals or entities who were deemed by the Founders to have provided services to BGH. The majority of individuals to whom shares had been gifted were friends, family or business associates of the Founders.

25. The number of shares "gifted" was the approximate equivalent of the entire number of BGTT shares received by the retail shareholders who had provided the initial capital and assumed the risk. The issuance of these approximately 42 million additional shares resulted in a significant dilution of the ownership interest of retail shareholders and deprived retail shareholders of the full potential value of their investment.

26. On April 26, 2013 a second special meeting of shareholders of BGH was held. In a Notice of Special Meeting of Shareholders dated April 11, 2013 (the "Second Notice") shareholders of BGH were asked to approve a special resolution diverting business opportunities developed and funded by shareholders of BGH to BGTT for no consideration. In fact, the Founders had already caused the contracts to be signed directly with BGTT, in most cases approximately one year prior to the Second Notice. In the Second Notice, shareholders were asked to vote on actions already taken by the Founders in the absence of shareholder disclosure and approval.

27. As a result of the acts, practices and course of conduct described in paragraph 11 and paragraphs 19-26 above, the retail shareholders of BGH were deceived by the Founders in respect of the nature and substance of the investment; the use of investor funds; the scheme in which the individual Respondents participated, which they knew or reasonably ought to have known perpetrated a fraud, contrary to subsection 126.1(b) of the Act; and/or acted contrary to the public interest.

**D. Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest**

28. The specific allegations advanced by Staff are:

- (a) During the Material Time, the Respondents engaged in the business of trading, in circumstances where they were not registered to do so and without an available exemption from registration, contrary to section 25(1) of the Act;

- (b) During the Material Time, the Respondents distributed securities when a preliminary prospectus and a prospectus had not been filed and receipts for them had not been issued by the Director and no exemption from those requirements was available, contrary to section 53 of the Act;
- (c) During the Material Time, Blackburn and Kurichh made representations without the written permission of the Director with the intention of effecting a trade in securities of BGH that such security would be listed on a stock exchange or quoted on any quotation and trade reporting system, contrary to section 38(3) of the Act;
- (d) During the Material Time, Blackburn, Greening and Kurichh engaged in or participated in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to section 126.1(b) of the Act; and
- (e) Blackburn, Greening and Kurichh as directors and officers of BGH authorised, permitted or acquiesced in BGH's breaches of the Act referred to above in (a) and (b) and are responsible for same pursuant to section 129.2 of the Act.

29. By reason of the foregoing, the respondents violated the requirements of Ontario securities law and/or engaged in conduct contrary to the public interest.

30. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, March 11, 2015

1.2.5 7997698 Canada Inc. et al. – ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
7997698 CANADA INC.,  
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,  
WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE,  
and MARY HUANG also known as NING-SHENG MARY HUANG**

**NOTICE OF HEARING  
(Sections 127 and 127.1 of the Securities Act)**

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., c. S.5, as amended (the “Act”), at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Friday April 10, 2015, at 11:00 a.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether, in the Commission’s opinion, it is in the public interest for the Commission to make the following orders:

- a. that trading in any securities or derivatives by 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. (“ILAS”), World Incubation Centre (“WIC”), and WIC (ON) (collectively, “799”), John Lee also known as Chin Lee (“Lee”), and Mary Huang also known as Ning-Sheng Mary Huang (“Huang”) (collectively, the “Respondents”) cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- b. that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- c. that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- d. that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- e. that Lee and Huang (collectively, the “Individual Respondents”) resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- f. that the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- g. that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager, or as a promoter, permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- h. that each Respondent pay an administrative penalty of not more than \$1 million for each failure by the respective Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- i. that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- j. that the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- k. such other order as the Commission considers appropriate in the public interest.

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission, dated March 11, 2015, and such further allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings;

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 11th day of March, 2015

“Josée Turcotte”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
7997698 CANADA INC.,  
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,  
WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE,  
and MARY HUANG also known as NING-SHENG MARY HUANG**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

**A. Overview**

1. During the period from October 17, 2011 until May 13, 2013, (the "Relevant Period"), 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. ("ILAS"), World Incubation Centre ("WIC"), and WIC (ON) (collectively, "799"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") (collectively, the "Respondents") traded in securities without being registered contrary to subsection 25(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), and/or acted in a manner that was contrary to the public interest.
2. From Ontario, without being registered with the Ontario Securities Commission (the "Commission") as was required, the Respondents solicited and sold shares of 799 to residents of the People's Republic of China. In addition to investing in a business in Ontario, the documents related to the investment indicated that the investment could qualify the investors to obtain permanent resident status in Canada through the investor stream of the Opportunities Ontario Provincial Nominee Program ("OPNP").

**B. The Respondents**

3. 799 was incorporated on October 13, 2011 pursuant to the laws of Canada. 799's registered office is in Welland, Ontario. ILAS, WIC, and WIC (ON) are some of the business names used by the Respondents for 799.
4. During the Relevant Period, Lee and Huang were Ontario residents. During the Relevant Period, Lee and Huang were directors and the directing minds of 799.

**C. Unregistered Trading**

5. 799 has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Lee and Huang have never been registered with the Commission in any capacity.
6. During the Relevant Period, from or in Ontario, the Respondents solicited, advertised, and sold securities of 799 to residents of the People's Republic of China through the use of 799 sales agents and the 799 web page.
7. The Respondents or their agents provided investors with an immigration service agreement with ILAS, an offering memorandum, a subscription agreement for convertible preferred shares or common shares of 799, and, if they invested, a 799 share certificate.
8. The securities of 799 solicited and sold by the Respondents were common shares "series" in which each common share was marketed to be sold for \$1,000,000, and 799 preferred shares "series" in which each preferred share was marketed to be sold for \$150,000 or \$225,000.
9. The 799 offering memorandum indicated that, among other things, 799 would build a facility in Welland, Ontario, bring Chinese manufacturers to the facility so that they could market themselves directly to small to medium sized North American retailers, provide adjacent space for the final stage of product assembly, and market the centre to small and medium sized retail businesses in Canada and the United States of America.
10. The shares issued by 799 are "securities" as defined in subsection 1(1) of the Act and, in particular, clauses (a), (b), (e), (g), (i), and/or (n) of that definition.

11. Through the Respondents' conduct described above, 799 raised up to \$8.25 million from its investors – of which \$5.25 million to \$6.5 million went to bank accounts in Ontario and up to \$3 million went to banks in the People's Republic of China. This amount was made up of at least thirty-five investors in 799 providing a \$150,000 investment, and at least twelve investors in 799 providing a \$250,000 investment with an additional \$750,000 provided by way of a loan commitment.
12. During the Relevant Period, 799 was in the business of selling securities to the public.

**D. Further Conduct Contrary to the Public Interest**

13. In addition, the Respondents failed to keep sufficient books and records in relation to the investor funds.
14. The Respondents failed to understand that the investments made in 799 did not meet the minimum threshold to qualify for nomination under the OPNP and were "immigration-linked investment schemes" prohibited by the applicable Immigration and Refugee Protection Regulations.
15. By way of a letter, dated May 30, 2014, OPNP denied 799's application and found that the project was an "ineligible immigration-linked investment scheme".
16. The Respondents represented to investors in the ILAS immigration services agreement, the 799 subscription agreement, and the 799 offering memorandum that, if its OPNP application was rejected, investors would be repaid within 90 days of the rejection. Not all investors in 799 have been repaid despite the rejection of 799's OPNP application and over 90 days passing since the rejection.
17. The Respondents' conduct has negatively affected the reputation and integrity of Ontario's capital markets.

**E. Breaches of Ontario Securities Law and/or Conduct Contrary to the Public Interest**

18. The specific allegations advanced by Staff are:
  - a. During the Relevant Period, the Respondents traded and engaged in, or held themselves out as engaging in the business of trading in securities of 799 and/or participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of these securities for valuable consideration, without being registered to trade in securities, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to subsection 25(1) of the Act;
  - b. During the Relevant Period, Lee and Huang as directors and officers of 799 authorized, permitted or acquiesced in the non-compliance with subsection 25(1) of the Act, as set out above, by 799 or by sales agents of 799, and as a result are deemed to also have not complied with Ontario securities law pursuant to section 129.2 of the Act; and/or
  - c. During the Relevant Period, the Respondents' conduct, as set out above, was contrary to the public interest such that it is in the public interest to make orders to under section 127 of the Act.
19. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto this 11th day of March, 2015.



1.2.6 Michael A. Beckley – s. 127

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

**AND**

**IN THE MATTER OF  
MICHAEL A. BECKLEY**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND MICHAEL A. BECKLEY**

**NOTICE OF HEARING  
(Section 127 of the Securities Act)**

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O., c. S.5, as amended (the “Act”), at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on March 16, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement dated March 10, 2015 between Staff of the Commission (“Staff”) and Michael A. Beckley;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff, dated March 12, 2015, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings.

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary’s Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l’avis d’audience est disponible en français, que la participation à l’audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l’audience si le participant demande qu’une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 12th day of March, 2015.

“Josée Turcotte”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
MICHAEL A. BECKLEY**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

**A. Overview**

1. Between September 2011 and July 2013 (the "Material Time"), Michael A. Beckley ("Beckley") authorized, permitted or acquiesced in the contraventions of Ontario Securities law by HydraLogic Systems Inc. ("HydraLogic"), including breaches of the Cease Trade Order (the "CTO"); and non-compliance with subsection 9.1(2)(a) of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), contrary to section 129.2 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act").
2. HydraLogic breached the CTO by entering into three convertible debenture agreements and a non-binding letter of intent.
3. HydraLogic's Notice of Special Meeting of Shareholders and Management Information Circular dated September 30, 2011 (the "Notice" and the "Circular") did not comply with the requirements of Item 14.1 of Form 51-102F5 and was in breach of subsection 9.1(2)(a) of NI 51-102.
4. Beckley's conduct was contrary to Ontario securities law and contrary to the public interest.

**B. The Respondent**

5. HydraLogic was incorporated on January 14, 2002, and during the Material Time was a reporting issuer in the provinces of British Columbia, Alberta and Ontario with a head office in Ontario.
6. During the Material Time, Beckley was a resident of Ontario and the President and Chief Executive Officer and a directing mind of HydraLogic.
7. HydraLogic's wholly owned subsidiaries were Ecolo Odor Control Technologies Inc. ("Ecolo") and HydraLogic Systems Corp. ("HSC") (collectively, the "Subsidiaries"). Ecolo and HSC were HydraLogic's only substantial assets.

**C. The Cease Trade Order**

8. On May 14, 2010, the Ontario Securities Commission (the "Commission") issued a temporary order that all trading in the securities of HydraLogic, whether direct or indirect, cease immediately for a period of 15 days (the "TCTO"). On May 26, 2010, the CTO was issued by the Commission against HydraLogic.
9. The CTO was made because HydraLogic failed to file its audited financial statements for the year ended December 31, 2009; the related *Management's Discussion and Analysis* (the "MD&A"); and the certification required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.
10. The CTO remains in effect.
11. Beckley is no longer an officer or director of HydraLogic and a new board of directors is now in place.

**D. Breaches of the Cease Trade Order**

**(a) Convertible Debentures**

12. In November 2011, while subject to the CTO, HydraLogic entered into convertible debenture agreements with Antevorta Capital Partners Limited, New Economy Holdings Ltd. and Stratbrand Enterprises Ltd. (collectively, the

“Loans”). The lending entities had the option of converting all or any portion of the amounts outstanding to common shares of HydraLogic.

13. The Loans were signed by Beckley on behalf of HydraLogic.

**(b) Letter of Intent**

14. On July 18, 2013, while subject to the CTO, HydraLogic entered into a non-binding letter of intent (the “LOI”) with HydraServices Inc. The purpose of the LOI was to confirm the intention of HydraLogic and HydraServices Inc. to complete negotiations and to enter into an agreement of purchase and sale providing for the purchase of two environmental technologies.
15. The purchase price of \$500,000 was to be satisfied in part by the vendor causing HydraLogic, on closing of the agreement, “to issue to the [v]endor such number of common shares in HydraLogic's capital as is equal to the quotient obtained by dividing Two Hundred and Fifty Thousand Dollars (\$250,000) by the average of the daily closing price of the common shares on the TSX Venture Exchange over the period of twenty (20) Business Days ended on the Business Day immediately prior to the Closing Date.”

**E. Insufficient Management Information Circular**

16. Shareholders of HydraLogic received a Notice and Circular dated September 30, 2011. The Notice advised of a special meeting of shareholders to be held on November 2, 2011 at which shareholders would be asked to approve a special resolution allowing the sale of all of the issued and outstanding shares of the Subsidiaries to HydraServices Inc., pursuant to the terms of a share purchase agreement dated September 15, 2011 (the “Sale”).
17. The Notice also advised that shareholders would be asked to approve the three convertible Loans of USD \$33,333.00 each to HydraLogic.
18. HydraLogic had not filed audited financial statements for the year ending December 31, 2009 or interim financial reports for any subsequent period. As a result, the absence of financial disclosure in the Circular meant there was insufficient detail for a reasonable securityholder to make a reasoned judgment concerning the approval of the sale of the Subsidiaries, or the convertible Loans. The Circular therefore did not comply with the requirements of Item 14.1 of Form 51-102F5.

**F. Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest**

The specific allegations advanced by Staff are:

19. Entering into the Loans and the LOI constituted trading in securities and/or acts in furtherance of trades by HydraLogic in breach of the CTO.
20. The Circular did not comply with the requirements of Item 14.1 of Form 51-102F5 in breach of subsection 9.1(2)(a) of NI 51-102.
21. Beckley authorized, permitted or acquiesced in the above contraventions of Ontario securities law by HydraLogic, pursuant to section 129.2 of the Act.
22. Beckley's conduct was contrary to Ontario securities law and contrary to the public interest.
23. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED AT TORONTO** this 12th day of March, 2015.

1.2.7 GreenStar Agricultural Corporation and Lianyun Guan – ss. 127, 127.1

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

AND

IN THE MATTER OF  
GREENSTAR AGRICULTURAL CORPORATION AND LIANYUN GUAN

NOTICE OF HEARING  
(Sections 127 and 127.1)

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) at the offices of the Commission at 20 Queen Street West, 17th Floor commencing on April 2, 2015 at 10:00 a.m., or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether, in the Commission’s opinion, it is in the public interest for the Commission to make the following orders:

- a. trading in the securities of GreenStar Agricultural Corporation (“GreenStar”), whether direct or indirect, cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- b. trading in any securities by GreenStar and Lianyun Guan (“Guan”) (collectively the “Respondents”) cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- c. the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- d. any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- e. the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- f. Guan resign one or more positions that he holds as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- g. Guan be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- h. Guan be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- i. the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- j. such other order as the Commission considers appropriate in the public interest.

**BY REASON OF** the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 11, 2015 and such further additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to further notice of the proceeding.

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto this 12th day of March, 2015

"Josée Turcotte"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
GREENSTAR AGRICULTURAL CORPORATION AND LIANYUN GUAN**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

**I. OVERVIEW**

1. GreenStar Agricultural Corporation ("GreenStar") was formed through a reverse take-over ("RTO") of a Capital Pool Company on May 31, 2011. GreenStar's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "GRE" and it is a reporting issuer in Ontario, Alberta and British Columbia.
2. GreenStar securities have been subject to a cease trade order made by the Ontario Securities Commission (the "Commission") since June 3, 2014 for failing to file continuous disclosure materials and GreenStar's common shares are currently suspended from trading on the TSX-V. GreenStar's shares have also been cease traded by the Alberta Securities Commission and the British Columbia Securities Commission.
3. GreenStar's RTO was carried out in connection with the acquisition of Sino Elite Group Limited ("Sino Elite") and its two subsidiaries: a) Pucheng Hongli Agriculture Products Technology Development Co., Ltd. ("Pucheng Hongli"), a wholly foreign owned enterprise registered in the People's Republic of China (the "PRC"); and b) Fujian Pucheng Star of Green Foodstuff Co., Ltd. ("Fujian Pucheng"), a private company incorporated on March 31, 2003 under the laws of the PRC. Lianyun Guan ("Guan") is the Chief Executive Officer of GreenStar and controls the day-to-day operations of Fujian Pucheng.
4. GreenStar is a holding company and conducts substantially all of its business and operations through Fujian Pucheng. Fujian Pucheng's management and all of its operations are located in the PRC. GreenStar includes all of GreenStar's subsidiaries and companies that it controls as set out in its public disclosure record and as the context within this Statement of Allegations requires.
5. On April 28, 2014, GreenStar issued a press release announcing that Schwartz Levitsky Feldman LLP ("SLF"), GreenStar's auditors, would not be able to complete all their audit procedures and render an audit opinion by the filing deadline with respect to the audit of GreenStar's financial statements for the year ended December 31, 2013 (the "2013 Audit").
6. SLF had several concerns as a result of certain audit procedures performed in conducting the 2013 Audit, including: (i) discrepancies noted while conducting the audit procedures related to GreenStar's bank balances as at December 31, 2013; and (ii) the validity of tax payments made and the official receipts issued by various taxation authorities (the "Auditors' Concerns").
7. In light of the Auditors' Concerns, SLF requested that the audit committee of GreenStar (the "Audit Committee") conduct an independent investigation (the "Investigation") into these matters and report their findings prior to resuming the 2013 Audit. The Audit Committee was comprised of three independent Canadian directors.
8. Despite Guan providing assurances that he would provide his cooperation, he failed to cooperate with and obstructed the Investigation. In addition, according to GreenStar's press release dated September 4, 2014 (the "September 4 Press Release"), Chinese management, which included Guan, made numerous conflicting representations to SLF, legal counsel, the directors as well as to members of the management team. Ultimately, SLF and all of GreenStar's Canadian-based directors and management resigned, leaving GreenStar with no auditors, no directors or senior officers located in Canada, no independent Canadian directors and no audit committee.
9. Guan's conduct was abusive to investors and the capital markets and/or contrary to the public interest.

10. The specific allegations against GreenStar and Guan are as follows:

GreenStar

- GreenStar failed to file continuous disclosure materials including:
  - its audited annual financial statements for the year ended December 31, 2013 and the related Management's Discussion and Analysis (the "MD&A");
  - its interim financial statements for the three-month periods ended March 31, 2014, June 30, 2014 and September 30, 2014 and related MD&A; and
  - the certifications of annual and interim filings required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109").
- In addition, GreenStar failed to:
  - maintain an audit committee in accordance with section 2.1 of National Instrument NI 52-110 *Audit Committees* ("NI 52-110");
  - file a change of auditor notice in accordance with subsection 4.11(5)(b) of NI 51-102 *Continuous Disclosure Obligations* ("NI 51-102"); and
  - pay its participation fee in accordance with sections 2.2 and 2.3 of OSC Rule 13-502 *Fees* ("Rule 13-502").

Guan

- Guan, being a director and the Chief Executive Officer of GreenStar, authorized, permitted or acquiesced in the commission of the violations by GreenStar, set out above, contrary to section 129.2 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and contrary to the public interest;
- In addition, Guan:
  - failed to file an amended Appointment of Agent for Service of Process ("Appointment of Agent") in accordance with National Instrument 41-101 *Prospectus Contents – Non-Financial Matters* ("NI 41-101");
  - authorized, permitted or acquiesced in Fujian Pucheng's failure to file an amended Appointment of Agent, contrary to section 129.2 of the Act and contrary to the public interest; and
  - engaged in conduct contrary to the public interest by (i) failing to provide cooperation and funding for the 2013 Audit; and (ii) failing to provide cooperation and funding for the Investigation.

## II. THE RESPONDENTS

GreenStar

11. Aquarius Capital Corp. ("Aquarius") was incorporated under the *Business Corporation Act*, R.S.O. 1990 c. B-16 and was a Capital Pool Company as defined pursuant to policy 2.4 of the TSX-V. On May 31, 2011, Aquarius completed a Qualifying Transaction with Sino Elite and acquired Sino Elite and its subsidiary Pucheng Hongli. Aquarius changed its name to "China Green Star Agricultural Corporation" and then to "GreenStar Agricultural Corporation" on July 5, 2013.
12. GreenStar's common shares have been listed on the TSX-V under the symbol "GRE" since June 7, 2011. The last known registered address of GreenStar is at 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7.
13. According to the MD&A for the three months ended September 30, 2013, the principal activities of GreenStar and its subsidiaries are agricultural farming and food processing in the PRC. As noted above, the principal activities are mainly conducted through Fujian Pucheng.

Guan

14. Guan is a resident of the PRC and has been the President, Chief Executive Officer and Chairman of the Board of GreenStar since May 2011. Guan has been acting as the sole director and general manager of Fujian Pucheng since 2004. According to GreenStar's management information circular dated May 22, 2013, Guan beneficially owns or exercises control or direction over 24.7% of the outstanding common shares of GreenStar.

**III. BACKGROUND**

**The 2013 Audit**

15. According to GreenStar's historical financial statements filed with the Commission, cash represented a significant portion of GreenStar's assets. Based on the most recently filed consolidated financial statements for the interim period ended September 30, 2013, GreenStar had \$16.7 million of cash representing approximately 27% of GreenStar's assets.
16. During their field work for the 2013 Audit, SLF encountered several difficulties when performing their audit procedures, including verifying the balances in the GreenStar bank accounts and obtaining official tax receipts. Guan did not cooperate with the auditors by failing to make the necessary arrangements for them to visit GreenStar's bank and the tax bureau to perform certain audit procedures. Guan also failed to cooperate with the auditors by failing to provide copies of official tax receipts and failing to ensure information and documents required by the auditors in performing their audit were provided on a timely basis.
17. On April 28, 2014, GreenStar issued a press release announcing:
- that the filing of its annual financial statements, MD&A and related officer certifications would be delayed beyond the filing deadline of April 30, 2014;
  - SLF would not be able to complete all their audit procedures with respect to the 2013 Audit and render an audit opinion by the filing deadline; and
  - GreenStar intended to make an application to the Commission for a management cease trade order ("MCTO").
18. Following the announcement, the market price of the GreenStar shares dropped from \$0.90 per share to \$0.69 per share (approximately 23%) representing approximately a \$6.4 million loss in market capitalization in a single day of trading.
19. On April 28, 2014, GreenStar applied for an MCTO and on May 5, 2014, a temporary MCTO was issued by the Commission for a period of fifteen days. As GreenStar continued to fail to file continuous disclosure materials, an MCTO was issued by the Commission on May 16, 2014.
20. On May 21, 2014, GreenStar issued a further press release (the "May 21 Press Release") which provided, among other things, that:
- the Audit Committee had been following up with the auditors and management in the PRC to complete the audit and in doing so, identified "certain corporate governance and administrative deficiencies" which contributed to the delay in the audit; and
  - the Audit Committee was continuing to try and resolve this matter with Guan and the Audit Committee believed that Guan was working to resolve this situation, "but there can be no assurance of success".
21. On May 16, 2014, pending the issuance of the May 21 Press Release, trading of the GreenStar shares was halted on the TSX-V. Following the issuance of the May 21 Press Release, trading resumed and the market price of the GreenStar shares dropped by over 39% to \$0.41 per share from the last closing price of \$0.68 per share, representing approximately an \$8.2 million loss in market capitalization in a single day of trading.
22. The following day, on May 22, 2014, GreenStar issued a further press release which provided, among other things, that "[t]he Company continues to work on moving forward in an effort to complete its audited financial statements. The Board has been assured by CEO Mr. Guan Lianyun, that he will provide his full cooperation in an effort to undertake all steps necessary to complete the audit. The Audit Committee has not found any evidence of fraud, and it is the goal and expectation of the Board that the audit will be completed in due course."



23. Following this announcement, the volume weighted average closing price for GreenStar's common shares, over the next nine trading days (until June 3, 2014, the last trading date of GreenStar's shares) was \$0.40 per share. On the last trading date of GreenStar's shares, the stock closed at \$0.415 per share.
24. On June 3, 2014, the Commission issued a temporary cease trade order for a period of fifteen days and on June 16, 2014 the Commission issued a permanent cease trade order.

### The Investigation

25. As noted above, SLF had several concerns as a result of conducting the 2013 Audit, and requested that the Audit Committee conduct the Investigation and report their findings prior to resuming the 2013 Audit.
26. Between May 1, 2014 and August 5, 2014, the Audit Committee engaged three separate law firms in the PRC, one after the other, to assist the Audit Committee in conducting the Investigation. Guan frustrated the efforts of each of these law firms to conduct their investigation by failing to provide proper funding and/or failing to facilitate obtaining information located in the PRC. In particular:
  - Zhong Lun Law Firm ("Zhong Lun") terminated its investigation as they were unable to proceed due to the lack of cooperation by Guan and his objecting to Zhong Lun conducting the Investigation.
  - The Audit Committee then engaged Zejiang Zeda Law Firm ("Zeda") to commence the Investigation. However, as Guan did not provide Zeda with the retainer on the agreed upon date, they could not begin the work.
  - Finally, the Audit Committee engaged Jun He Law Office ("Jun He") to conduct the Investigation. On or about August 5, 2014, Guan visited Jun He counsel and provided him with conflicting and contradictory information regarding GreenStar's operations, banking activities and financial condition. In addition, Guan declined to agree to Jun He personnel travelling to Pucheng to start the Investigation.
27. As the three law firms were unable to assist the Audit Committee conclude the Investigation, SLF agreed to send staff to Pucheng, after Guan paid a portion of SLF's past due invoices and provided an undertaking to pay the balance on the arrival of the SLF staff in Pucheng. However, when SLF staff arrived in Pucheng, Guan failed to provide the amount he undertook to pay SLF and SLF refused to conduct any further work.
28. The September 4 Press Release noted the lack of co-operation from the China-based management team (which included Guan) and set out steps taken in attempt to advance the 2013 Audit. The press release states, in part:

... due to a lack of co-operation from its China-based management team, [GreenStar] has not been able to advance the audit for the 2013 financial year. The audit committee, Canadian management, auditors and Canadian legal counsel are all continuing to work to try and move the 2013 audit forward, but there is no visibility on if, or when the 2013 audit will be completed.

All efforts over the past two months, by GreenStar's Audit Committee, with assistance from Chinese legal counsel retained by the Audit Committee to conduct an independent investigation to verify certain critical documentation at GreenStar's banks and the local tax authority, have to date been frustrated by the China-based management team. **China based management has to date, failed to co-operate with the investigation process, or provide the necessary funding to the Audit Committee or the independent Chinese counsel that has been engaged to conduct the investigation.** [emphasis added]
29. On September 11, 2014, GreenStar issued a further press release (the "September 11 Press Release") which disclosed that real property of Fujian Pucheng was put up for auction in connection with a judgment granted by the local courts (the "Auction"). The September 11 Press Release also states that Guan advised the board of directors that the Auction was the result of enforcement of security granted to the local credit union for "certain unpaid loans the full details of which have not been provided to the Board and Canadian management".
30. Guan did not disclose to SLF, Canadian management or the Audit Committee that GreenStar's real property was encumbered until the Auction was publicly disclosed in a newspaper.
31. Finally, on September 25, 2014, GreenStar issued a further press release, advising that:
  - the Canadian directors of GreenStar, including the three members of the Audit Committee, resigned;

- the four Canadian management personnel resigned;
- GreenStar's Canadian legal counsel provided notice that they intended to withdraw their services;
- The resignations were the result of a lack of co-operation, support and funding from Guan in order to complete the 2013 Audit;
- Despite repeated requests from SLF, the Board of Directors, the Audit Committee, Canadian management and Canadian legal counsel, and continuous verbal assurances from Guan to cooperate in completing the 2013 Audit, Guan had not provided either funds or co-operation to allow for the Audit Committee or the auditors to proceed with completion of the audit; and
- GreenStar also announced the resignation of SLF, who advised GreenStar that they had no forward visibility regarding the possibility of completing the 2013 Audit, as they were not able to obtain the information requested from the Investigation.

#### IV. ALLEGATIONS

##### Breaches of Ontario Securities Law by GreenStar

- **Failure to File Audited Annual Financial Statements for the Year Ended December 31, 2013**
32. As a venture issuer, GreenStar is required to file audited annual financial statements on or before the 120th day after the end of its most recently completed financial year pursuant to section 4.1 and subsection 4.2(b) of NI 51-102. Accordingly, GreenStar's audited annual financial statements for the year ended December 31, 2013 were due on April 30, 2014. GreenStar failed to file these annual financial statements and is in default of its filing obligations, contrary to Ontario securities law and contrary to the public interest.
- **Failure to File Interim Financial Reports for the Interim Periods Ended March 31, 2014, June 30, 2014 and September 30, 2014**
33. As a venture issuer, GreenStar is required to file interim financial reports on or before the 60th day after the end of an interim period pursuant to subsections 4.3(1), (2), (2.1) and (3) and subsection 4.4(b) of NI 51-102. Accordingly, GreenStar's interim financial reports for the interim periods ended March 31, 2014, June 30, 2014 and September 30, 2014 were due on May 30, 2014, August 29, 2014 and December 1, 2014, respectively. GreenStar failed to file these interim financial reports and is in default of its filing obligations, contrary to Ontario securities law and contrary to the public interest.
- **Failure to File Annual and Interim MD&A for the Year Ended December 31, 2013 and the Interim Periods Ended March 31, 2014, June 30, 2014 and September 30, 2014**
34. GreenStar is required to file MD&A pursuant to section 5.1 of NI 51-102 on or before the filing deadline for the filing of its audited annual financial statements or its interim financial reports, respectively. Accordingly, GreenStar's MD&A for the year ended December 31, 2013 was due on April 30, 2014 and its MD&A for the interim periods ended March 31, 2014, June 30, 2014 and September 30, 2014 were due on May 30, 2014, August 29, 2014 and December 1, 2014, respectively. GreenStar failed to file the annual and interim MD&A and is in default of its filing obligations, contrary to Ontario securities law and contrary to the public interest.
- **Failure to File Certifications of Annual and Interim Filings for the Year Ended December 31, 2013 and the Interim Periods Ended March 31, 2014, June 30, 2014 and September 30, 2014**
35. GreenStar is required to file annual certificates for each certifying officer pursuant to section 4.1 of NI 52-109 on the date it files its annual financial statements and MD&A. Accordingly, GreenStar's certifications of annual filings for the year ended December 31, 2013 were due on April 30, 2014. GreenStar failed to file these certifications of annual filings and is in default of its filing obligations, contrary to Ontario securities law and contrary to the public interest.
36. GreenStar is required to file interim certificates for each certifying officer pursuant to section 5.1 of NI 52-109 on the date it files its interim financial statements and MD&A. Accordingly, GreenStar's certifications of interim filings for the interim periods ended March 31, 2014, June 30, 2014 and September 30, 2014 were due on May 30, 2014, August 29, 2014 and December 1, 2014, respectively. GreenStar failed to file these certifications of interim filings and is in default of its filing obligations, contrary to Ontario securities law and contrary to the public interest.

- **Failure to Maintain an Audit Committee**

37. As GreenStar is a “reporting issuer” as that term is defined in Ontario securities law, it is required to have an audit committee that complies with NI 52-110. As noted above, the independent directors that comprised GreenStar’s audit committee resigned on September 24, 2014. Since that time, GreenStar has not appointed an audit committee in compliance with NI 52-110, contrary to Ontario securities law and contrary to the public interest.

- **Failure to File a Change of Auditor Notice**

38. As GreenStar is a “reporting issuer” as that term is defined in Ontario securities law, it is required to file a change of auditor notice within 30 days after the resignation of an auditor pursuant to subsection 4.11(5)(b) of NI 51-102. On September 25, 2014, GreenStar announced the resignation of SLF. Accordingly, the change of auditor notice was due on October 25, 2014. GreenStar failed to file a change of auditor notice, contrary to Ontario securities law and contrary to the public interest.

- **Failure to Pay its Participation Fee**

39. As GreenStar is a “reporting issuer” as that term is defined in Ontario securities law, it is required to make a participation fee payment pursuant to sections 2.2 and 2.3 of Rule 13-502 by the date on which its annual financial statements are required to be filed. Accordingly, GreenStar’s participation fee payment was due on April 30, 2014. GreenStar failed to pay its participation fee, contrary to Ontario securities law and contrary to the public interest.

#### **Breaches of Ontario Securities Law and Conduct Contrary to the Public Interest by Guan**

- **Authorized, Permitted or Acquiesced in Violations by GreenStar**

40. As a director and the Chief Executive Officer of GreenStar, Guan authorized, permitted or acquiesced in the commission of the violations by GreenStar, set out above, contrary to section 129.2 of the Act and contrary to the public interest;

- **Failure to File an Amended Appointment of Agent**

41. In connection with GreenStar’s filing of a non-offering prospectus dated March 31, 2011, Guan filed a Non-Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process dated March 30, 2011 as required by NI 41-101. Paragraph 15 of the Appointment of Agent states:

Until six years after completion of the distribution of the Securities under the Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.

42. On November 21, 2014, Staff was informed that Guan’s agent had resigned. Guan failed to file an amended Appointment of Agent at least 30 days before the resignation, contrary to Ontario securities law and contrary to the public interest.

- **Authorized, Permitted or Acquiesced in Fujian Pucheng’s Failure to File an Amended Appointment of Agent**

43. In connection with GreenStar’s filing of a non-offering prospectus dated March 31, 2011, Guan, on behalf of Fujian Pucheng filed an Appointment of Agent dated March 30, 2011 as required by NI 41-101. Paragraph 15 of the Appointment of Agent states:

Until six years after completion of the distribution of the Securities under the Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.

44. On December 7, 2014, Staff was informed that the agent for Fujian Pucheng had resigned. Fujian Pucheng breached Ontario securities law by failing to file an amended Appointment of Agent at least 30 days before the resignation. Guan authorized, permitted or acquiesced in this violation, contrary to section 129.2 of the Act and contrary to the public interest.

- **Failure to Provide Cooperation and Funding for the 2013 Audit and the Investigation**

45. The Audit Committee and Canadian management repeatedly sought the cooperation of Guan in conducting the Investigation to address the Auditors' Concerns. This included requesting that Guan fund, assist and facilitate the 2013 Audit as well as the Investigation, which was initiated by the Audit Committee at the request of SLF.
46. Despite repeated requests, Guan failed to provide the level of cooperation and funding necessary to complete the 2013 Audit. In particular, as set out above, Guan failed to cooperate with the Investigation, failed to arrange for the auditors to visit GreenStar's bank and the tax bureau, failed to provide copies of official tax receipts, failed to provide information and documents to the auditors on a timely basis, failed to disclose the encumbrance of GreenStar's real property and failed to provide sufficient funds to the auditors to continue with the 2013 Audit.
47. Guan also failed to cooperate with the Investigation and to provide sufficient funding for the Investigation. In particular, as set out above, Guan frustrated the efforts of three separate independent law firms in China to conduct the Investigation on behalf of the Audit Committee and failed to provide a retainer to one of the law firms.
48. The conduct of Guan described above was abusive to investors in GreenStar securities and the capital markets and/or contrary to the public interest.

**V. STAFF'S INVESTIGATION IS ONGOING**

49. The conduct of GreenStar and Guan outlined above has been, and continues to be, abusive to investors and the capital markets and/or contrary to the public interest. At this time, Staff request that the Commission make certain orders in the public interest to, among other things, prohibit GreenStar and Guan's participation in Ontario's capital markets.
50. However, Staff's investigation in relation to GreenStar is ongoing and Staff may bring further allegations and/or seek further orders in respect of GreenStar and Guan and/or other parties as a result of such investigation.

**VI. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST**

51. Based on the foregoing, GreenStar and Guan breached Ontario securities law and/or acted in a manner that is contrary to the public interest.
52. Such further and other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, March 11, 2015.

1.2.8 GITC Investments and Trading Canada Ltd. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF  
GITC INVESTMENTS AND TRADING CANADA LTD.  
carrying on business as GITC INVESTMENTS AND TRADING CANADA INC.  
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR

NOTICE OF HEARING  
(Sections 127 and 127.1 of the Securities Act)

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., c. S.5, as amended (the “Act”), at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on Friday April 10, 2015, at 12:00 p.m. or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE** that the purpose of the hearing is for the Commission to consider whether, in the Commission’s opinion, it is in the public interest for the Commission to make the following orders:

- a. that trading in any securities or derivatives by GITC Investments & Trading Canada Ltd. carrying on business as GITC Investments and Trading Canada Inc. and GITC, GITC Inc., and Amal Tawfiq Asfour (“Asfour”) (collectively, the “Respondents”) cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- b. that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- c. that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- d. that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- e. that Asfour resign one or more positions that she holds as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- f. that Asfour be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, permanently or for such period as is specified by the Commission, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- g. that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager, or as a promoter, permanently or for such period as is specified by the Commission, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- h. that each Respondent pay an administrative penalty of not more than \$1 million for each failure by the respective Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- i. that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- j. that the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- k. such other order as the Commission considers appropriate in the public interest.

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission, dated March 12, 2015, and such further allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings;

**AND TAKE FURTHER NOTICE** that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

**ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE** que l'avis d'audience est disponible en français, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plus tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

**DATED** at Toronto, this 12th day of March, 2015

"Josée Turcotte"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
GITC INVESTMENTS AND TRADING CANADA LTD.  
carrying on business as GITC INVESTMENTS AND TRADING CANADA INC.  
and GITC, GITC INC., and AMAL TAWFIQ ASFOUR**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

**A. Overview**

1. During the period from March 26, 2013 until September 9, 2014 (the "Relevant Period"), GITC Investments & Trading Canada Ltd. carrying on business as GITC Investments and Trading Canada Inc. and GITC ("GITC Investments & Trading Canada"), GITC Inc., and Amal Tawfiq Asfour ("Asfour") (collectively, the "Respondents"): (i) traded in securities without being registered, contrary to subsection 25(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), (ii) illegally distributed securities, contrary to subsection 53(1) of the Act, and/or (iii) acted in a manner that was contrary to the public interest.
2. Without being registered and without filing a prospectus with the Ontario Securities Commission (the "Commission") as was required, the Respondents solicited and sold shares of GITC Investments & Trading Canada or GITC Inc. from Ontario to residents of countries including Kuwait, the United Arab Emirates, and/or the Kingdom of Saudi Arabia. In addition to investing in a business in Canada, the documents related to the investment indicated that making the investment could qualify the investors to obtain permanent resident status in Canada through the business immigration or investor stream of the Provincial Nominee Program ("PNP"). Shares were also sold to at least one investor who was an Ontario resident.

**B. The Respondents**

3. GITC Investments & Trading Canada was incorporated on June 21, 2011 as a New Brunswick corporation, and was registered in Ontario as an extra-provincial corporation.
4. GITC Inc. was incorporated on December 23, 2013 as a Canadian corporation, and it has a registered corporate address in Ontario.
5. Asfour was an Ontario resident during the Relevant Period. She was the sole director and directing mind of GITC Investments & Trading Canada and GITC Inc.

**C. Unregistered Trading**

6. Neither GITC Investments & Trading Canada nor GITC Inc. is a reporting issuer in Ontario. During the Relevant Period, none of the Respondents were registered with the Commission in any capacity.
7. During the Relevant Period, the Respondents solicited and sold securities of GITC or GITC Inc. (collectively referred to as "GITC") from or in Ontario to investors resident in countries including Kuwait, the United Arab Emirates, and/or the Kingdom of Saudi Arabia through use of their sales agents, their web page, advertisements in publications, and/or the hosting of investment presentations. The Respondents also sold securities of GITC to at least one Ontario resident.
8. The Respondents or their agents provided investors, and had them sign in most cases, an Investment Agreement (the "GITC Investment Agreements"). Within the GITC Investment Agreements, investors were promised returns ranging from 5% to 20% annually for a five year term.
9. GITC investors received from GITC a "Certificate of Direct Investment" (the "GITC Certificate of Direct Investment"). The GITC Certificates of Direct Investment were similar to one another and stated, among other things, that the holder owned shares of GITC.

10. In doing so, GITC sold “securities” as defined in subsection 1(1) of the Act and, in particular, clauses (a), (b), (e), (g), (i), and/or (n) of that definition.
11. Through the Respondents’ conduct described above, GITC has raised approximately \$6.46 million from forty-eight of its investors of which approximately \$5.3 million was deposited into bank accounts of GITC and Asfour in Ontario.
12. The Respondents and/or their agents claim to have earned commissions and/or fees on these trades of securities.
13. During the Relevant Period, without being registered as was required, GITC was in the business of selling securities to the public.

**D. Illegal Distribution**

14. In addition, the trades of GITC securities described above were also “distributions” as defined in subsection 1(1) of the Act as the securities had not been previously issued.
15. During the Relevant Period, GITC did not file a preliminary prospectus and prospectus with the Commission or obtain receipts for them from the Director as required by subsection 53(1) of the Act. Furthermore, GITC has never filed a Form 45-106F1 Report of Exempt Distribution with the Commission.

**E. Further Conduct Contrary to the Public Interest**

16. In addition, GITC documents provided by the Respondents or their agents to GITC investors indicated they would be making PNP applications to the British Columbia PNP, Manitoba PNP, New Brunswick PNP, and the “Investor” class program offered by Citizenship and Immigration Canada; however, GITC instead applied (within 38 applications) only to the British Columbia PNP.
17. The Respondents failed to understand that the investments made in GITC were “immigration-linked investment schemes” prohibited by the applicable Immigration and Refugee Protection Regulations. In November 2014, the British Columbia PNP rejected all of the applications that had been submitted by GITC.
18. The Respondents’ conduct has negatively affected the reputation and integrity of Ontario's capital markets.

**F. Breaches of Ontario Securities Law and/or Conduct Contrary to the Public Interest**

19. The foregoing conduct engaged in by the Respondents constituted breaches of Ontario securities law. In particular:
  - a. During the Relevant Period, the Respondents traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to subsection 25(1) of the Act;
  - b. During the Relevant Period, the trading of GITC securities as set out above constituted distributions of GITC securities by the Respondents in circumstances where no preliminary prospectus and prospectus were filed and receipts had not been issued for them by the Director, and where there were no prospectus exemptions available to them under the Act, contrary to subsection 53(1) of the Act; and
  - c. During the Relevant Period, Asfour as a director and officer of GITC authorized, permitted, or acquiesced in the non-compliance with subsections 25(1) and 53(1) of the Act by GITC or its sales agents, as set out above, and as a result is deemed to also have not complied with Ontario securities law pursuant to section 129.2 of the Act.
20. By reason of the foregoing, the Respondents violated the requirements of Ontario securities law and/or engaged in conduct contrary to the public interest such that it is in the public interest to make orders under section 127 of the Act.
21. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 12th day of March, 2015.



**1.4 Notices from the Office of the Secretary**

**1.4.1 Christopher Reaney**

**FOR IMMEDIATE RELEASE  
March 11, 2015**

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

**AND**

**IN THE MATTER OF  
CHRISTOPHER REANEY**

**TORONTO** – On March 9, 2015, the Commission issued a Notice of Hearing pursuant to Subsection 8 of the *Securities Act* to consider a request made by Christopher Reaney for a hearing and review of a decision of a Director dated January 5, 2015.

The hearing will be held on March 31, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 9, 2015 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
SECRETARY

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For investor inquiries:

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

**1.4.2 Satish Talawdekar and Anand Hariharan**

**FOR IMMEDIATE RELEASE  
March 11, 2015**

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

**AND**

**IN THE MATTER OF  
SATISH TALAWDEKAR AND ANAND HARIHARAN**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND ANAND HARIHARAN**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Anand Hariharan.

The hearing will be held on March 31, 2015 at 2:00 p.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated March 11, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 11, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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1-877-785-1555 (Toll Free)

**1.4.3 Satish Talawdekar and Anand Hariharan**

**FOR IMMEDIATE RELEASE  
March 11, 2015**

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

**AND**

**IN THE MATTER OF  
SATISH TALAWDEKAR AND ANAND HARIHARAN**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND SATISH TALAWDEKAR**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Satish Talawdekar.

The hearing will be held on April 28, 2015 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated March 11, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 11, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.4 Blue Gold Holdings Ltd. et al.**

**FOR IMMEDIATE RELEASE  
March 12, 2015**

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

**AND**

**IN THE MATTER OF  
BLUE GOLD HOLDINGS LTD., DEREK BLACKBURN,  
RAJ KURICHH AND NIGEL GREENING**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 11, 2015 setting the matter down to be heard on April 10, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 11, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 11, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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416-593-8314  
1-877-785-1555 (Toll Free)

1.4.5 7997698 Canada Inc. et al.

**FOR IMMEDIATE RELEASE**  
**March 12, 2015**

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

**AND**

**IN THE MATTER OF  
7997698 CANADA INC.,  
carrying on business as INTERNATIONAL LEGAL  
AND ACCOUNTING SERVICES INC.,  
WORLD INCUBATION CENTRE, or WIC (ON),  
JOHN LEE also known as CHIN LEE, and MARY  
HUANG also known as NING-SHENG MARY HUANG**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing March 11, 2015 setting the matter down to be heard on April 10, 2015 at 11:00 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 11, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 11, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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For investor inquiries:

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1.4.6 Michael A. Beckley

**FOR IMMEDIATE RELEASE**  
**March 12, 2015**

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

**AND**

**IN THE MATTER OF  
MICHAEL A. BECKLEY**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND MICHAEL A. BECKLEY**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Michael A. Beckley.

The hearing will be held on March 16, 2015 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated March 12, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.7 Eric Inspektor**

**FOR IMMEDIATE RELEASE  
March 12, 2015**

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

**AND**

**IN THE MATTER OF  
ERIC INSPEKTOR**

**TORONTO** – The Commission issued an Order in the above named matter which provides that each party shall provide to the other party its hearing brief by March 23, 2015.

A copy of the Order dated March 11, 2015 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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SECRETARY

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**1.4.8 GreenStar Agricultural Corporation and Lianyun Guan**

**FOR IMMEDIATE RELEASE  
March 13, 2015**

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

**AND**

**IN THE MATTER OF  
GREENSTAR AGRICULTURAL CORPORATION  
AND LIANYUN GUAN**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing March 12, 2015 setting the matter down to be heard on April 2, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 12, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 11, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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1.4.9 GITC Investments and Trading Canada Ltd. et al.

FOR IMMEDIATE RELEASE  
March 13, 2015

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

AND

IN THE MATTER OF  
GITC INVESTMENTS AND TRADING CANADA LTD.  
carrying on business as GITC INVESTMENTS AND  
TRADING CANADA INC. and GITC, GITC INC., and  
AMAL TAWFIQ ASFOUR

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 12, 2015 setting the matter down to be heard on April 10, 2015 at 12:00 p.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 12, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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1.4.10 Michael A. Beckley

FOR IMMEDIATE RELEASE  
March 16, 2015

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

AND

IN THE MATTER OF  
MICHAEL A. BECKLEY

AND

IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND MICHAEL A. BECKLEY

**TORONTO** – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Michael A. Beckley

A copy of the Order dated March 16, 2015 and Settlement Agreement dated March 10, 2015 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
SECRETARY

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 U.S. Silver Corporation – s. 1(10)(a)(ii)

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer 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).

March 11, 2015

U.S. Silver Corporation  
401 Bay Street, Suite 2702  
P.O. Box 136  
Toronto, ON M5H 2Y4

Dear Sirs/Mesdames:

**Re: U.S. Silver Corporation (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, 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;
- (b) no securities of the Applicant, 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;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Sonny Randhawa”  
Manager, Corporate Finance  
Ontario Securities Commission

**2.1.2 BHP Billiton Limited and BHP Billiton Plc**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus requirement for a distribution of shares of a non-reporting issuer by way of a distribution in specie dividend – Distribution does not fall within one of the prospectus exemptions – Parent companies are public companies, but not reporting issuers in Canada – The number of Canadian participants and their share ownership will be de minimis – No investment decision required from Canadian shareholders in order to receive shares from the in specie dividend distribution – relief granted.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74.  
National Instrument 45-106 Prospectus Exempt Distributions.

**March 10, 2015**

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

**AND**

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

**AND**

**IN THE MATTER OF  
BHP BILLITON LIMITED (BHP Ltd.) AND  
BHP BILLITON PLC  
(BHP Plc and together with BHP Ltd., the Filer)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (collectively, the Decision Makers) have received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting:

1. BHP Ltd. from the prospectus requirements of the Legislation in connection with the proposed distribution of shares (NewCo Shares) of BHP Coal Holdings Pty Ltd. (NewCo), to holders (BHP Ltd. Shareholders) of ordinary shares of BHP Ltd. (BHP Ltd. Shares); and
2. BHP Plc from the prospectus requirements of the Legislation in connection with the proposed distribution of NewCo

Shares to holders (BHP Plc Shareholders and together with BHP Ltd. Shareholders, BHP Shareholders) of ordinary shares of BHP Plc (BHP Plc Shares and, together with BHP Ltd. Shares, BHP Shares).

(collectively, the Requested Relief)

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

- (a) the Financial and Consumer Affairs Authority of Saskatchewan is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon in British Columbia, Alberta, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut, and
- (c) the decision is the decision 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 *Passport System* have the same meaning if used in this decision, unless defined herein.

**Representations**

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

*DLC Structure and Canadian Shareholders:*

1. The Filer is a leading global resources company. The Filer operates under a Dual Listed Company (DLC) structure, with two parent companies BHP Ltd. and BHP Plc which operate as a single economic enterprise, managed by a unified board and management team. The Filer is headquartered in Melbourne, Australia.
2. BHP Ltd. is a company organized under the *Corporations Act 2001 (Cth)* of Australia. BHP Ltd. is not a reporting issuer under the securities laws of any of the Jurisdictions and currently has no intention of becoming a reporting issuer under the securities laws of any of the Jurisdictions.
3. BHP Ltd. Shares are listed on the Australian Securities Exchange (ASX) in Australia. In addition, BHP Ltd. American Depositary Receipts trade on the New York Stock Exchange (NYSE).



BHP Ltd. Shares are not listed on any Canadian stock exchange.

4. As of November 30, 2014 there were 491 registered Canadian BHP Ltd. Shareholders holding 1,125,456 BHP Ltd. Shares, representing approximately 0.08% of the registered holders of BHP Ltd. Shares worldwide and holdings of approximately 0.04% of the outstanding BHP Ltd. Shares as of such date. BHP Ltd. does not expect these numbers to have materially changed since that date.

5. BHP Plc is a company organized under the *Companies Act 1996* of England and Wales. BHP Plc is not a reporting issuer under the securities laws of any of the Jurisdictions and currently has no intention of becoming a reporting issuer under the securities laws of any of the Jurisdictions.

6. BHP Plc has a premium listing on the UK Listing Authority's Official List and its BHP Plc Shares are admitted to trading on the London Stock Exchange (LSE) in the United Kingdom. BHP Plc also has a secondary listing on the Johannesburg Stock Exchange (JSE) in South Africa. In addition, BHP Plc American Depositary Receipts trade on the NYSE. BHP Plc Shares are not listed on any Canadian stock exchange.

7. As of November 30, 2014 there were 23 registered Canadian BHP Plc Shareholders holding 48,395 BHP Plc Shares, representing approximately 0.10% of the registered holders of BHP Plc Shares worldwide and holdings of less than 0.01% of the outstanding BHP Plc Shares as of such date. BHP Plc does not expect these numbers to have materially changed since that date.

8. In aggregate, as of November 30, 2014, there were 514 registered Canadian BHP Shareholders holding 1,173,851 BHP Shares, representing approximately 0.08% of the registered holders of BHP Shares worldwide and holdings of approximately 0.02% of the outstanding BHP Shares as of such date.

9. The Filer does not have available to it a complete register of beneficial BHP Ltd. Shareholders and/or BHP Plc Shareholders. However, based on a review of the top 200 registered BHP Ltd. Shareholders and BHP Plc Shareholders, as of November 28, 2014:

(a) approximately 27.7 million BHP Ltd. Shares were held by beneficial Canadian BHP Ltd. Shareholders, representing holdings of approximately 0.5% of the outstanding BHP Shares as of such date;

(b) approximately 48.9 million BHP Plc Shares were held by beneficial Canadian

BHP Plc Shareholders, representing holdings of approximately 0.9% of the outstanding BHP Shares as of such date; and

(c) in total, approximately 76.6 million BHP Shares were held by beneficial Canadian BHP Shareholders, representing holdings of approximately 1.4% of the outstanding BHP Shares as of such date.

The Filer does not expect these numbers to have materially changed since that date. In addition, the Filer does not expect that the number of BHP Shares held by beneficial Canadian BHP Shareholders not included in the top 200 beneficial BHP Shareholders represents a material number of the BHP Shares outstanding.

10. Based on the information above, the number of registered and beneficial Canadian BHP Shareholders and the proportion of BHP Shares held by such Canadian BHP Shareholders is *de minimis*.

*Demerger:*

11. The Filer is proposing to divest certain assets (the Assets) into NewCo by means of a demerger to BHP Shareholders (the Demerger). The Demerger will involve an in specie dividend of NewCo Shares to BHP Ltd. Shareholders and BHP Plc Shareholders in the proportions in which their shareholdings represent interests in the Filer (approximately 60% and 40%, respectively).

12. The Assets are currently held on both the BHP Ltd. and BHP Plc sides of the DLC group structure. Accordingly, prior to the effective date of the Demerger, the Filer will undergo a reorganization pursuant to which the Assets not already held by NewCo will be transferred to NewCo.

13. As of the date hereof, all of the issued and outstanding NewCo Shares are held by BHP Ltd. and no other securities of NewCo are issued and outstanding.

14. BHP Shareholders will not be required to pay for NewCo Shares received in the Demerger, or to surrender or exchange BHP Shares or take any other action to be entitled to receive their NewCo Shares. Unlike the Filer, NewCo will not operate under a DLC structure.

15. Subject to obtaining the required approvals, including the approval of BHP Shareholders (which, as noted under paragraph 21 below, is not required but is being sought voluntarily), the Demerger will occur automatically and without any investment decision on the part of individual BHP Shareholders as to whether they would like to receive NewCo Shares or not.

16. It is expected that the distribution of NewCo Shares to BHP Ltd. Shareholders and BHP Plc Shareholders will be on a 1:1 basis. Accordingly, the Filer does not expect to issue any fractional NewCo Shares in connection with the Demerger.
17. Following the Demerger, BHP Ltd. Shares will continue to be listed on the ASX and BHP Plc Shares will continue to be listed on the LSE and the JSE, and BHP Ltd. and BHP Plc American Depositary Receipts will continue to trade on the NYSE.
18. NewCo intends to apply for a primary listing of NewCo shares on the ASX, the admission of NewCo Shares to the standard listing segment of the Official List and to trading on the LSE's main market for listed securities and a secondary listing on the JSE. It is also proposed that an American Depositary Receipt program would be established with such American Depositary Receipts traded over-the-counter in the United States.
19. NewCo does not intend to list the NewCo Shares on any stock exchange in Canada, nor does it intend to become a reporting issuer in any of the Jurisdictions.
20. The Demerger will be effected in compliance with the laws of Australia. The dividend of NewCo Shares in connection with the Demerger will be a dividend under Australian law. The distribution of NewCo Shares to BHP Ltd. Shareholders will be effected under the terms of BHP Ltd.'s Constitution. The distribution of NewCo Shares to BHP Plc Shareholders will be effected under the terms of BHP Plc's Articles
21. Because the Demerger will be effected by way of a dividend of NewCo Shares to BHP Shareholders, no shareholder approval of the proposed transaction is required under BHP Plc's Articles of Association or under BHP Ltd.'s Constitution. Although there is no legal requirement for the Demerger to be approved by BHP Shareholders, the Filer intends to seek approval of BHP Shareholders by way of a joint electorate vote of BHP Ltd. Shareholders and BHP Plc Shareholders.
22. In connection with the Demerger, the Filer will prepare a shareholder circular (the Shareholder Circular) which will contain comprehensive disclosure relating to the Demerger, including the advantages, disadvantages and risks of the Demerger, an overview of the Filer and NewCo post-Demerger and information about the implementation of the Demerger. The Shareholder Circular will be prepared in accordance with the laws of the United Kingdom and Australia and will be mailed to BHP Shareholders in connection with the solicitation by management of the Filer of proxies to be voted at meetings of the BHP Shareholders to consider and approve the Demerger.
23. In connection with the Demerger, NewCo will prepare the NewCo Listing Document which collectively refers to the following documents:
- (a) an information memorandum in connection with NewCo's application for admission to the ASX Official List (the ASX IM);
  - (b) a prospectus in connection with NewCo's application for admission to the standard segment of the UKLA Official Listing (the UK Prospectus); and
  - (c) a pre-listing statement in connection with NewCo's application for a secondary listing on the Main Board of the JSE (the JSE PLS).
- The NewCo Listing Document will contain detailed disclosure with respect to NewCo, including historical financial information, an overview of the industries in which NewCo will participate, a detailed overview of NewCo's business, information about NewCo's executives and governance arrangements and Competent Persons Reports in relation to NewCo's mineral resources and reserves. The NewCo Listing Documents will be prepared in accordance with the laws of the United Kingdom, Australia and South Africa. The UK Prospectus will be subject to the review and approval of the Financial Conduct Authority, the securities regulatory authority of the United Kingdom. The Filer has filed an application for prospectus relief in Australia with the Australian Securities and Investment Commission, the securities regulatory authority of Australia (ASIC). The ASX IM and the Shareholder Circular will be reviewed by ASIC. The Filer has received in-principle confirmation that ASIC will grant it prospectus relief subject to certain conditions. The JSE PLS will be subject to the review and approval of the JSE.
24. The Shareholder Circular sent by the Filer to BHP Shareholders will be sent concurrently to Canadian BHP Shareholders. The NewCo Listing Documents are not required to be sent to BHP Shareholders and instead will be made available to BHP Shareholders (including Canadian BHP Shareholders) electronically (and BHP Shareholders may obtain copies free of charge upon request).
25. Canadian BHP Shareholders who receive NewCo Shares as a dividend pursuant to the Demerger will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the

Demerger that are available to BHP Shareholders resident outside of Canada.

26. Following the completion of the Demerger, NewCo will send concurrently to NewCo Shareholders resident in Canada the same disclosure materials required to be sent under applicable Australian securities laws to NewCo Shareholders resident in Australia.
27. Prior to the completion of the Demerger, the number of Canadian BHP Shareholders as well as their proportionate holdings of Shares will be *de minimis*. Therefore, following the Demerger, the number of NewCo Shareholders resident in Canada as well as their proportionate holdings of NewCo Shares will also be *de minimis*. The Filer's strong preference is not to exclude Canadian BHP Shareholders from the proposed Demerger, and to provide a meaningful number of Canadian BHP Shareholders with the opportunity to receive NewCo Shares, consistent with the rights of other shareholders of the Filer.
28. There will be no active trading market for NewCo Shares in Canada following the Demerger and none is expected to develop. It is expected that any resale of NewCo Shares distributed in connection with the Demerger will occur through the facilities of the ASX, the LSE or the JSE.
29. The distribution of NewCo Shares would be exempt from the prospectus requirements pursuant to subsection 2.31(2) of National Instrument 45-106 Prospectus Exempt Distributions but for the fact that NewCo is not a reporting issuer in any of the Jurisdictions.
30. Neither BHP Ltd. nor BHP Plc is in default of any securities legislation in any of the Jurisdictions.

#### Decision

The Decision Makers are satisfied that the tests contained in the Legislation that provide the Decision Makers with the jurisdiction to make the decision have been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that the first trade of NewCo Shares acquired in connection with the Demerger shall be deemed to be a distribution unless the conditions in Section 2.6 or subsection 2.14(1) of National Instrument 45-102 *Resale of Securities* are satisfied.

"Dean Murrison"  
Director, Securities Division  
Financial and Consumer Affairs  
Authority of Saskatchewan

#### 2.1.3 Unite Capital Corp.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of its obligation to file and deliver its financial statements and related management's discussion and analysis – requested relief granted.

##### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).  
CSA Staff Notice 12-307 – Applications for a Decision that an Issuer is not a Reporting Issuer.

March 12, 2015

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

**AND**

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

**AND**

**IN THE MATTER OF  
UNITE CAPITAL CORP.  
(the Filer)**

**DECISION**

#### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

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

- (a) The Ontario Securities Commission is the principal regulator for this application (the **Principal Regulator**); and
- (b) The decision is the decision of the Principal Regulator and evidences the decision of each other Decision Maker.

#### Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meanings if used in this decision, unless otherwise defined.

**Representations**

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

1. The Filer is a corporation governed by the *Business Corporations Act* (Ontario) (the **OBCA**) with its registered and head office located at 77 King Street West, Suite 3000, Toronto, Ontario.
2. The Filer is a reporting issuer in the Jurisdictions.
3. The Filer's authorized capital consists of an unlimited number of common shares without par value (the **Common Shares**).
4. On June 25, 2014, the Applicant was created by the amalgamation of Unite Capital Corp. (a predecessor to the Applicant) and Lakeside Acquisitions Inc., a wholly-owned subsidiary of Lakeside Minerals Inc. (**Lakeside**) (the **Amalgamation**). Each shareholder of Unite Capital Corp. (pre-Amalgamation) received shares of Lakeside in consideration of the Amalgamation. As a result of the Amalgamation the Applicant is a wholly-owned subsidiary of Lakeside and all of the outstanding shares of the Applicant are held by Lakeside.
5. Lakeside is a reporting issuer in each of British Columbia and Alberta, and the common shares of Lakeside are traded on the TSX Venture Exchange under the symbol "LAK".
6. Other than the Common Shares held by Lakeside, the Filer has no other securities outstanding.
7. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.
8. The common shares of Unite Capital Corp. (pre-Amalgamation) were de-listed from the TSX Venture Exchange following the close of trading on June 25, 2014.
9. None of the Filer's securities, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operations* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
10. The Filer filed a Notice of Voluntary Surrender of Reporting Issuer Status with the British Columbia Securities Commission (the **BCSC**) under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* stating that it will cease to be a reporting issuer in British Columbia. On September 8, 2014, the BCSC sent a notice that it

had received and accepted such notice and confirmed that non-reporting status was effective on September 15, 2014.

11. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.
12. The Filer is not in default of any of its obligations under the Legislation, other than its obligation to file the following:
  - (a) annual financial statements for the year ended April 30, 2014, management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), and the related certification of such financial statements as required under Multilateral Instrument 52-109 *Certification of Disclosure in Filer's Annual and Interim Filings* (**MI 52-109**), which became due August 30, 2014;
  - (b) interim financial statements for the period ended July 31, 2014, management discussion and analysis in respect of such financial statements and the related certification which became due on September 29, 2014; and
  - (c) interim financial statements for the period ended October 31, 2014, management discussion and analysis in respect of such financial statements and the related certification which became due on December 30, 2014 (the **Filings**).
13. As the Amalgamation resulted in Lakeside becoming the only securityholder of the Filer prior to the date on which such Filings were due, the Filings were not prepared nor filed as required under the Legislation.
14. The Filer has no intention to seek public financing by way of an offering of securities.
15. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is currently in default of its obligation to file the Filings, as described in representation 12 above.
16. The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

**Decision**

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

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

“Edward P. Kerwin”  
Commissioner  
Ontario Securities Commission

“Deborah Leckman”  
Commissioner  
Ontario Securities Commission

**2.1.4 Eco Atlantic Holdings Ltd. (formerly Pan African Oil Ltd.) – s. 1(10)(a)(ii)**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer 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).

March 12, 2015

Chitiz Pathak Resources and Solutions  
320 Bay Street, Suite 1600  
Toronto, ON M5H 4A6

**Attention: Ryan Hunter**

Dear Sir:

**Re: Eco Atlantic Holdings Ltd. (formerly Pan African Oil Ltd.) (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, 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;
- (b) no securities of the Applicant, 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;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

“Denise Weeres”  
Manager, Legal  
Corporate Finance

## 2.1.5 Schneider Electric S.E.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and dealer registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.

National Instrument 31-103 Registration Requirements and Exemptions, s. 8.16.

National Instrument 45-102 Resale of Securities, s. 2.14.

National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

March 6, 2015

**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  
SCHNEIDER ELECTRIC S.E.  
(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 (the "**Legislation**") for:

1. an exemption from the prospectus requirements of the Legislation (the "**Prospectus Relief**") so that such requirements do not apply to
  - (a) trades in:
    - (i) units (the "**Principal Classic Units**") of an FCPE (as defined below) named *Schneider Actionnariat Mondial* (the "**Principal Classic FCPE**"), which is a *fonds commun de placement d'entreprise* or "**FCPE**," a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors; and
    - (ii) units (together with the Principal Classic Units, the "**Units**") of a temporary FCPE named *Schneider Relais International 2015* (the "**Temporary Classic FCPE**"), which will merge with the Principal Classic FCPE following the WESOP (as defined below) as further described in paragraph 13 of the Representations,

made pursuant to the WESOP to or with Qualifying Employees (as defined below) resident in the Jurisdiction and in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova

Scotia and Newfoundland and Labrador (collectively, the “**Canadian Employees**”, and Canadian Employees who subscribe for Units, the “**Canadian Participants**”); and

- (b) trades of ordinary shares of the Filer (the “**Shares**”) by the Principal Classic FCPE and/or the Temporary Classic FCPE to or with Canadian Participants upon the redemption of Units thereof as requested by Canadian Participants;
2. an exemption from the dealer registration requirements of the Legislation (the “**Registration Relief**”) so that such requirements do not apply to the Schneider Electric Group (as defined below and which, for clarity, includes the Filer and the Local Affiliates (as defined below)), the Temporary Classic FCPE, the Principal Classic FCPE and NATIXIS Asset Management (the “**Management Company**”) in respect of:
- (a) trades in Units made pursuant to the WESOP to or with Canadian Employees; and
  - (b) trades in Shares by the Temporary Classic FCPE and/or the Principal Classic FCPE to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.
- (the Prospectus Relief and the Registration Relief, collectively, the “**Offering Relief**”)

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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador.

### Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning as 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 formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on NYSE Euronext Paris. The Filer is not in default under the Legislation or under the securities legislation of any other jurisdiction of Canada.
2. The Filer carries on business in Canada through certain affiliated companies that employ Canadian Employees, including Control Microsystems Inc., Invensys Canada Inc., Invensys Systems Canada Inc., Juno Lighting, Limited, Power Measurement Ltd., Schneider Electric Canada Inc., Schneider Electric IT Corporation, Telvent Canada Ltd., Telvent DTN, LLC, and Viconics Technologies Inc. (collectively, the “**Local Affiliates**,” together with the Filer and other affiliates of the Filer, the “**Schneider Electric Group**”). None of the Local Affiliates is in default under the Legislation or the securities legislation of any other jurisdiction of Canada.
3. Each of the Local Affiliates is a direct or indirect-controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or under the securities legislation of any other jurisdiction of Canada. The Canadian headquarters of the Schneider Electric Group are in Ontario, there are more assets of the Schneider Electric Group in Ontario than in any other jurisdiction of Canada and there are more clients of the Schneider Electric Group in Ontario than in any other jurisdiction of Canada.
4. As of the date hereof and after giving effect to the WESOP, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Principal Classic FCPE and the Temporary Classic FCPE on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
5. The Filer has established a global employee share offering for employees of the Schneider Electric Group (the “**World Employee Share Ownership Plan**” or “**WESOP**”). The WESOP involves an offering of Shares to be subscribed



through the Principal Classic FCPE via the Temporary Classic FCPE (as further described in paragraph 13) (the “**Classic Plan**”).

6. Only persons who are employees of a member of the Schneider Electric Group until the end of the subscription period for the WESOP and who meet other employment criteria (the “**Qualifying Employees**”) will be allowed to participate in the WESOP.
7. The Temporary Classic FCPE has been established for the purpose of implementing the WESOP. The Principal Classic FCPE has been established for the purpose of implementing employee share offerings of the Filer, generally. There is no current intention for either the Principal Classic FCPE or the Temporary Classic FCPE to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
8. Each of the Temporary Classic FCPE and the Principal Classic FCPE is an FCPE which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee-investors. The Principal Classic FCPE and the Temporary Classic FCPE have been registered with the French Autorité des marchés financiers (the “**French AMF**”). Only Qualifying Employees will be allowed to hold Units issued pursuant to the WESOP.
9. All Units acquired pursuant to the WESOP by Canadian Participants will be subject to a hold period of approximately five years (the “**Lock-Up Period**”), subject to certain exceptions prescribed by French law, provided for in the Schneider Electric International Employee Shareholding Plan and adopted under the Classic Plan in Canada (such as a release on death or termination of employment, or the exception that the Canadian Participant’s employer ceases to be an affiliate of the Filer).
10. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic FCPE, and the Temporary Classic FCPE will then subscribe for Shares on behalf of Canadian Participants using the Canadian Participants’ contributions and the employer contributions from Local Affiliates that employ the Canadian Participants, as described in paragraph 11. The subscription price will be the Canadian dollar equivalent equal to the average of the opening price of the Shares (expressed in Euros) on NYSE Euronext Paris on the 20 trading days preceding the date of fixing of the subscription price by the Management Board of the Filer, less a 20% discount.
11. As indicated above, the Local Affiliate employing a Canadian Participant will also contribute on behalf of such Canadian Participant an amount into the Classic Plan. For each contribution that a Canadian Participant makes into the Classic Plan up to and including the Canadian dollar equivalent of 1,000 Euros, the Local Affiliate employing such Canadian Participant will contribute an additional 100% of such amount into the Classic Plan on behalf of such Canadian Participant. For the portion of each contribution that a Canadian Participant makes that is equal to or greater than the Canadian dollar equivalent of 1,001 Euros and up to and including the Canadian dollar equivalent of 1,800 Euros, the Local Affiliate employing such Canadian Participant will contribute an additional 50% of such amount into the Classic Plan on behalf of such Canadian Participant.
12. For clarity, the maximum contribution by a Local Affiliate in respect of a Canadian Participant is the Canadian dollar equivalent of 1,400 Euros (i.e., 100% of the Canadian dollar equivalent of first 1,000 Euros contribution and 50% of the Canadian dollar equivalent of the next 800 Euros contribution).
13. Initially, the Shares subscribed for will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. Following the completion of the WESOP, the Temporary Classic FCPE will be merged with the Principal Classic FCPE (subject to the approval of the supervisory board of the FCPEs and the French AMF). Units of the Temporary Classic FCPE held by Canadian Participants will be replaced with Units of the Principal Classic FCPE on a pro rata basis and the Shares subscribed for under the WESOP will be held in the Principal Classic FCPE (the “**Merger**”).
14. The term “**Classic FCPE**” used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic FCPE.
15. Under the Classic Plan, at the end of the Lock-Up Period a Canadian Participant may
  - (a) request the redemption of Units in the Classic FCPE in consideration for a cash payment equal to the then market value of the Shares, or
  - (b) continue to hold Units in the Classic FCPE and request the redemption of those Units at a later date in consideration for a cash payment equal to the then market value of the Shares.

Subject to certain changes in the regulations of the Classic FCPE which may be made, a Canadian Participant may be permitted to request the redemption of his or her Units in the Classic FCPE in consideration for the underlying Shares (instead of a cash payment) at or after the end of the Lock-Up Period.

16. In the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, a Canadian Participant may request the redemption of Units in the Classic FCPE in consideration for a cash payment equal to the then market value of the underlying Shares.
17. Dividends paid on the Shares held in the Classic FCPE will be contributed to the Classic FCPE and used to purchase additional Shares. To reflect this reinvestment, no new Units will be issued. Instead, the reinvestment will increase the asset base of the Classic FCPE as well as the value of the Units held by Canadian Participants.
18. The subscription price will not be known to Canadian Employees until after the end of the subscription period. However, this information will be provided to Canadian Employees prior to the start of the revocation period, during which Canadian Participants may choose to revoke all (but not part) of their subscription under the Classic Plan and thereby not participate in the WESOP.
19. Each of the Temporary Classic FCPE and the Principal Classic FCPE is an FCPE, which is a limited liability entity under French law. The portfolio of each of the Principal Classic FCPE and the Temporary Classic FCPE will consist almost entirely of Shares, but may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.
20. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage investments and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
21. The Management Company's portfolio management activities in connection with the WESOP and the Principal Classic FCPE and the Temporary Classic FCPE are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.
22. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each of the Principal Classic FCPE and the Temporary Classic FCPE. The Management Company's activities do not affect the underlying value of the Shares and the Management Company will not be involved in providing advice to any Canadian Employees with respect to an investment in the Units. To the best of the Filer's knowledge, the Management Company is not in default of the Legislation or the securities legislation of any other jurisdiction of Canada.
23. Shares issued pursuant to the WESOP will be deposited in the Classic FCPE through CACEIS Bank (the "**Depository**"), a large French commercial bank subject to French banking legislation.
24. Under French law, the Depository must be selected by the Management Company from among a limited number of companies identified on a list maintained by the French Minister of the Economy and Finance and its appointment must be approved by the French AMF. The Depository carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each of the Principal Classic FCPE and the Temporary Classic FCPE to exercise the rights relating to the securities held in its respective portfolio.
25. The Unit value of the Classic FCPE will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic FCPE divided by the number of Units outstanding. The value of Classic FCPE Units will be based on the value of the underlying Shares, but the number of Units of the Classic FCPE will not correspond to the number of the underlying Shares (e.g., dividends will be reinvested in additional Shares and increase the value of each Unit).
26. All management charges relating to the Classic FCPE will be paid from the assets of the Classic FCPE or by the Filer, as provided in the regulations of the Classic FCPE.
27. Participation in the WESOP is voluntary, and the Canadian Employees will not be induced to participate in the WESOP by expectation of employment or continued employment.
28. The total amount that may be invested by a Canadian Employee pursuant to the WESOP cannot exceed 25% of his or her gross annual compensation for the 2014 calendar year. Notwithstanding the foregoing, the employer of a Canadian Employee shall have the discretion to permit a Canadian Employee to use his or her estimated gross annual

compensation for the 2015 calendar year instead of actual 2014 gross annual compensation for the above-mentioned limits.

29. None of the Filer, the Management Company, the Local Affiliates or any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.
30. The Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the WESOP and a description of Canadian income tax consequences of subscribing for and holding Units of the Classic FCPE and requesting the redemption of such Units at the end of the applicable Lock-Up Period. These documents will be available in both English and French.
31. Canadian Participants will have access to the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the rules of the Temporary Classic FCPE and the Principal Classic FCPE. The Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.
32. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.
33. There are approximately 2,972 Canadian Employees resident in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (with the greatest number, approximately 749, 730, 730 and 694, resident in Quebec, British Columbia, Alberta and Ontario, respectively), who represent, in the aggregate, less than 3% of the number of employees in the Schneider Electric Group worldwide.
34. The Shares and Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares or the Units so listed.

**Decision**

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Offering Relief is granted provided that the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

- (a) the issuer of the security
  - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
  - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
- (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
  - (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
  - (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and
- (c) the first trade is made
  - (i) through an exchange, or a market, outside of Canada, or
  - (ii) to a person or company outside of Canada.

"Edward P. Kerwin"  
Commissioner  
Ontario Securities Commission

"Deborah Leckman"  
Commissioner  
Ontario Securities Commission

## 2.1.6 Aegon Fund Management Inc.

### Headnote

NP 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of control of investment fund manager under s. 5.5(1)(a.1) of NI 81-102 – Filer has no current plans to change the Manager of the Funds, or to amalgamate or merge the current Manager with any other entity, for the foreseeable future.

### Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, s. 5.5(1)(a.1).

January 30, 2015

**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  
AEGON FUND MANAGEMENT INC.  
(the Manager or the Filer)**

**AND**

**IN THE MATTER OF  
THE FUNDS  
(as defined below)**

**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 approval of an indirect change of control of the Manager (**Change of Control**) of the mutual funds listed in Appendix “A” (collectively, the **Funds**) in accordance with section 5.5(1)(a.1) of National Instrument 81-102 – *Investment Funds (NI 81-102)* (the **Approval 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 (the **Principal Regulator**); 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Québec and Saskatchewan (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:

*The Manager*

1. The Manager is a corporation incorporated under the laws of the Province of Ontario and has its head office in Toronto, Ontario.
2. The Manager is registered as an investment fund manager (**IFM**) under the securities legislation in each of the Jurisdictions.
3. The Manager is not in default of securities legislation in any province or territory.
4. The Manager is the IFM of the Funds.

*The Funds*

5. Securities of the Funds are distributed in each of the Jurisdictions under a simplified prospectus and annual information form prepared in accordance with the requirements of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*.
6. Each Fund is a reporting issuer under the applicable securities legislation of the Jurisdictions.
7. The Funds are not in default of applicable securities legislation in any of the Jurisdictions.

*The Proposed Acquisition*

8. In a press release dated October 16, 2014, Aegon N.V., the ultimate controlling parent of the Manager announced the sale of the majority of its Canadian operations to Wilton Re (the **Proposed Acquisition**). In connection with such sale, Wilton Re will indirectly acquire all of the outstanding securities of the Manager.
9. Following the Closing, Wilton Re will become the new indirect owner of the Manager, due to its holding of Proj Fox Acquisition Inc. (**Proj Fox**); however, no substantive changes are expected in the operation or management of the Funds by the Manager.
10. The parties' objective is to close the Proposed Acquisition as soon as possible but no later than the first quarter of 2015, subject to receipt of all required regulatory approvals and other customary closing conditions (the **Closing**).

*Wilton Re*

11. Wilton Re is a Nova Scotia unlimited liability company. Wilton Re does not currently carry on business in Canada and has no Canadian operations.
12. Wilton Re is an indirect subsidiary of Canada Pension Plan Investment Board.
13. Neither Wilton Re, nor any of its affiliates, including Proj Fox, is registered or operating under an exemption from registration under the securities laws of any Canadian jurisdiction.

*Proj Fox*

14. Proj Fox is a Nova Scotia unlimited liability company and is a subsidiary of Wilton Re. Proj Fox is a holding company which will not carry on any active business.

*Change of Control of the Manager*

15. The Proposed Acquisition will result in Wilton Re acquiring indirect control over the Manager.
16. In respect of the impact of the Change of Control on the Manager and on the management and administration of the Funds:
  - (a) Wilton Re has confirmed that there is no current intention:
    - (i) to make any substantive changes as to how the Manager operates or manages the Funds;
    - (ii) to amalgamate or merge the Manager with another IFM;

- (iii) within the foreseeable period of time, to change the Manager;
  - (iv) to make any changes to the custodian or trustee of the Funds; and
  - (v) to make any substantive changes to the management of the Funds, including the investment objectives and strategies of the Funds, or the expenses that are charged to the Funds.
- (b) The Closing is not expected to have any material impact on the business, operations or affairs of the Funds or the unitholders of the Funds;
  - (c) Following the Closing, the directors and officers of the Manager will be unchanged;
  - (d) The Manager will retain the management teams and supervisory personnel that were in place immediately prior to the Closing, and from and after the Closing, the compliance activities of the Manager will be subject to oversight by Wilton Re;
  - (e) Within 90 days of completion of the Change of Control, the Manager will change its name to a name that does not include the "Aegon" brand, such name to be determined, perform required re-branding activities consistent with its new name and update the registrations of the Manager and any registered individuals of the Manager to reflect its new name;
  - (f) The Closing will not adversely affect the Manager's financial position or its ability to fulfill its regulatory obligations; and
  - (g) Upon the Change of Control, the members of the Manager's Independent Review Committee (**IRC**) will cease to be IRC members by operation of section 3.10(1)(c) of National Instrument 81-107 – *Independent Review Committee for Investment Funds*. Immediately following the Change of Control, the IRC will be reconstituted with the same members.

*Notice Requirements*

- 17. Notice of the Change of Control with respect to the Proposed Acquisition was provided by mail to unitholders of the Funds on October 31, 2014, in accordance with Section 5.8(1)(a) of NI 81-102, being at least 60 days before the Closing.
- 18. A notice regarding the Proposed Acquisition was sent to the Registration Branch of the Ontario Securities Commission on November 10, 2014 pursuant to section 11.10 of National Instrument 31-103 – *Registration Requirements and Exemptions*.

**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 Approval Sought is granted.

"Vera Nunes"  
Manager, Investment Funds and Structured Products Branch  
Ontario Securities Commission

**Appendix "A"**

**List of Funds**

imaxx Canadian Bond Fund  
imaxx Canadian Dividend Fund  
imaxx Canadian Equity Growth Fund  
imaxx Canadian Fixed Pay Fund  
imaxx Global Equity Growth Fund  
imaxx Money Market Fund

## 2.1.7 Mood Media Corporation

### Headnote

National Policy 11-203 Process for Relief in Multiple Jurisdictions – issuance of securities to an arms length party pursuant to the accredited investor exemption in settlement of litigation – application for exemption from the prospectus requirement in connection with the first trade of such securities – relief granted from the resale restrictions relating to the resale of such securities, subject to certain conditions.

### Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).  
National Instrument 45-102 Resale of Securities, s. 2.6(3).

March 13, 2015

**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  
MOOD MEDIA CORPORATION  
(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**) that the first trade of the Settlement Shares (as defined below) issued pursuant to the settlement of a lawsuit in Canada (as described below) be exempt from the prospectus requirement under the Legislation (the **Exemption Sought**), provided that the first trade satisfies the conditions in subsection 2.6(3) of National Instrument 45-102 *Resale of Securities* (**NI 45-102**).

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

- (a) the Ontario Securities Commission is the principal regulator for the 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 British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (together with the Jurisdiction, the **Jurisdictions**).

### Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

### Representations

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

1. The Filer is a corporation incorporated under the federal laws of Canada. The Filer is a global provider of in-store audio, visual and scent media and marketing solutions in North America and Europe.



2. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of any requirement or regulation of the securities legislation of each of the Jurisdictions.
3. The Filer's authorized share capital is comprised of an unlimited number of common shares (the **Common Shares**) and preferred shares, of which, as at February 13, 2015, a total of 179,767,119 Common Shares and no preferred shares were issued and outstanding. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "MM".
4. PFH Investment Ltd. (**PFH**) (now John Penturn and Son Limited, as a result of an amalgamation effected December 1, 2010) is an Ontario resident and beneficially owns, directly or indirectly, 13,750 Common Shares (representing approximately 0.007% of the Filer's current outstanding Common Shares) prior to the issuance of the Settlement Shares (as defined below).
5. On May 29, 2006, Fluid Music Canada, Inc., the predecessor corporation to the Filer (**FM Canada**), issued a debenture (the **Debenture**) to PFH in the principal amount of US\$1,000,000. The Debenture was convertible in whole or in part at any time or from time to time, at the sole and exclusive option of PFH.
6. The conversion price (the **Conversion Price**) of the Debenture was equal to the lesser of:
  - (a) US\$3.00 per Common Share; and
  - (b) where after May 29, 2006 and prior to the delivery of a conversion notice, FM Canada had issued Common Shares or other debt or equity securities convertible into or exchangeable for shares of Common Shares of FM Canada, or options, warrants or other rights to acquire Common Shares or securities convertible into or exchangeable for Common Shares, the lowest price per Common Share at which such shares or securities were issued or which shares, option, warrants or other rights or securities may be converted into or exercised or exchanged for Common Shares.
7. In September 2007, and again in both April and June 2008, FM Canada and PFH entered into agreements which had the effect of amending the terms of the Debenture to, among other things, permit the repurchase of the Debenture, as amended, by FM Canada, subject to certain conditions.
8. In June 12, 2008, FM Canada filed a (final) long form prospectus in relation to the initial public offering of its Common Shares.
9. On June 19, 2008, FM Canada forwarded funds to PFH to complete the repurchase of the Debenture, as amended; however, PFH refused to complete such transaction on the basis of, among other things, the allegations set out in its Action (defined below).
10. In August 2008, PFH filed a lawsuit (the **Action**) with the Ontario Superior Court of Justice against FM Canada and certain officers of FM Canada under section 241 of the *Canada Business Corporations Act* alleging, among other things, that FM Canada and certain other defendants withheld certain information relevant to the Conversion Price and seeking, among other things, cash damages in the amount of CAD\$35,000,000 and a declaration, *inter alia*, reinstating the Debenture, unamended.
11. The Action has been disclosed previously in the Filer's continuous disclosure documents, specifically in the Filer's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2014 and the Filer's annual information form dated March 31, 2014, both of which are filed on the *System for Electronic Document Analysis and Retrieval (SEDAR)* under the Filer's profile.
12. On February 13, 2015, the Filer entered into minutes of settlement with PFH (the **Minutes of Settlement**) settling the claims of PFH against the Filer, as the successor corporation to FM Canada, and the other defendants and releasing and discharging them in respect of the Action (the **Settlement**).
13. The Minutes of Settlement were entered into by the Filer on the basis that, among other things, it and the other defendants deny any wrongdoing and that such Minutes of Settlement shall and does not constitute an admission or concession on the part of it in respect to any claim, liability or wrongdoing.
14. The Minutes of Settlement were negotiated at arm's length and reflect a fair and equitable settlement of the Action.
15. PFH is familiar with the business and affairs of the Filer as a result of business dealings and negotiations between them prior to the commencement of the Action and the negotiations leading to the Settlement.

## Decisions, Orders and Rulings

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16. Subject to the terms of the Minutes of Settlement, the consideration which the Filer has agreed to contribute to the Settlement include the following (in relevant parts):
  - (a) The sum of US\$1,620,000 previously paid by FM Canada into escrow on June 19, 2008, in connection with FM Canada's effort to complete the repurchase of the Debenture, as amended, together with interest and other returns on such amount since that time;
  - (b) A cash payment in the amount of CAD\$400,000; and
  - (c) The issuance by the Filer to PFH of 2,300,000 Common Shares, or, if the five day weighted average market price of the Common Shares prior to the date of the TSX approval for the listing of the Common Shares is less than US\$0.40, Common Shares in the aggregate value of CAD\$920,000 (or at the Filer's election, cash) using the five day weighted average market price of the Common Shares prior to said date (the Settlement Shares).
17. As of February 13, 2015, the Settlement Shares represent approximately 1.28% of the current outstanding Common Shares.
18. As of the date hereof, the TSX has conditionally approved the Filer's application to list the Settlement Shares on such exchange.
19. The Filer intends to issue the Settlement Shares to PFH pursuant to the accredited investor exemption found under section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*.
20. The subject of the Action is the Debenture. Absent the Action, PFH would be entitled to exercise the Debenture, in whole or in part, at any time or from time to time, at its sole and exclusive election, and the Common Shares issuable thereupon would not be subject to any resale restrictions by virtue of section 2.5(3) of NI 45-102.
21. Upon the issuance of the Settlement Shares, the Debenture will be cancelled.
22. In the absence of the Exemption Sought, the first trade of the Settlement Shares will be a distribution until at least four (4) months have elapsed from the distribution date pursuant to section 2.5(2)2 of NI 45-102.
23. The Settlement was disclosed in the Filer's annual management's discussion and analysis of financial condition and results of operations for the fiscal year ended December 31, 2014, which is filed on SEDAR.

### 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 the issuance of the Settlement Shares, the TSX has conditionally approved the listing of the Settlement Shares;
- (b) the first trade in the Jurisdictions of Settlement Shares will be a distribution or primary distribution to the public, as the case may be, unless the conditions in subsection 2.6(3) of NI 45-102 are satisfied; and
- (c) the issuance of the Settlement Shares by the Filer to PFH is disclosed in the Filer's unaudited interim consolidated financial statements for the three months ended March 31, 2015, to be filed on SEDAR in accordance with National Instrument 51-102 *Continuous Disclosure Obligations*.

"Edward P. Kerwin"  
Commissioner  
Ontario Securities Commission

"Sarah B. Kavanagh"  
Commissioner  
Ontario Securities Commission

**2.1.8 Royal Bank of Canada and the Persons and Companies Listed in Annex A – s. 5.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions**

**Headnote**

Application for a decision, pursuant to section 5.1 of OSC Rule 48-501, exempting the applicants from trading restrictions imposed by sections 2.1(a) and 2.2 of OSC Rule 48-501. Decision granted.

**Rules Cited**

Ontario Securities Commission Rule 48-501 – Trading During Distributions, Formal Bids and Share Exchange Transactions.

**IN THE MATTER OF  
THE SECURITIES ACT,  
R.S.O. 1990, CHAPTER S.5, AS AMENDED  
(the “Act”)**

**AND**

**ONTARIO SECURITIES COMMISSION RULE 48-501  
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS  
(the “Rule”)**

**AND**

**IN THE MATTER OF  
ROYAL BANK OF CANADA  
AND THE PERSONS AND COMPANIES LISTED IN ANNEX A  
(collectively, the “Applicants”)**

**DECISION  
(Section 5.1 of the Rule)**

**UPON** the Director (as defined in the Act) having received an application (the “**Application**”) from the Applicants for a decision (or its equivalent) pursuant to section 5.1 of the Rule, exempting Royal Bank of Canada (the “**Bank**”), all affiliates of the Bank (individually, an “**Affiliate**” and collectively, the “**Affiliates**”), including the Applicants, and any person or company that is an insider of the Bank (individually, an “**Insider**” and collectively, the “**Insiders**”), as applicable, from the trading restrictions imposed on issuer-restricted persons by section 2.2 of the Rule, and exempting the RBC Dominion Securities Inc. (“**RBC Dominion**”) and RBC Capital Markets, LLC (“**RBCCM**”, and together with RBC Dominion, the “**Restricted Dealers**”) from certain trading restrictions imposed upon dealer-restricted persons by section 2.1 of the Rule;

**AND UPON** considering the Application and the recommendation of staff of the Ontario Securities Commission (the “**Commission**”);

**AND UPON** the Applicants having represented to the Director that:

*Background of the Applicants*

1. The Bank is a Schedule I bank under the *Bank Act* (Canada). The principal executive offices of the Bank are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, M5J 2J5. The Bank’s head office is located at 1 Place Ville Marie, Montreal, Québec, H3C 3A9. The common shares of the Bank (“**RBC Shares**”) are listed for trading on both the Toronto Stock Exchange (“**TSX**”) and the New York Stock Exchange (“**NYSE**”).

2. Each of the Applicants other than the Bank is a direct or indirect wholly-owned subsidiary of the Bank.

3. The Bank and RBC Dominion effect trades in RBC Shares for their own accounts and for the accounts of their customers, for the purpose of hedging positions (or adjusting or liquidating existing hedge positions) of the Bank, the Affiliates and of their customers. In addition, to hedge its economic exposure arising from the issuance of structured notes that it may issue from time to time and that are linked to baskets or indices that include RBC Shares, the Bank enters into hedging transactions in RBC Shares at the time of the issuance of the structured notes and over the life of such structured notes.

4. RBC Dominion is the designated market maker on the TSX for certain exchange-traded funds (“**ETFs**”) that are index-based and also trades certain ETFs that are index-based and include RBC Shares. The traded ETFs for which RBC Dominion is

not the market maker generally consist of 10 or more securities and RBC Shares comprise less than 10% of the value of each such ETF. These ETFs are listed solely on Canadian exchanges and are comprised exclusively of Canadian securities. In order to appropriately hedge its positions in ETFs for which RBC Dominion acts as a market maker, RBC Dominion will effect trades in the securities that are components of the applicable ETFs, including RBC Shares. In addition, RBC Dominion solicits and effects trades in RBC Shares in order to appropriately adjust RBC Dominion's proprietary index-related portfolio in response to changes in the applicable indices.

5. During the restricted period (the "**Restricted Period**") that will apply to RBC Shares in connection with the distribution of RBC Shares that is to be made by the Bank as consideration for the securities of City National Corporation ("**City National**") that the Bank will acquire in the course of its proposed acquisition of City National (the "**Proposed Acquisition**"), as more particularly described below, these hedging and other transactions will be effected exclusively on the TSX or other exchanges or automated trading systems ("**ATs**") in Canada, and all such transactions will be entered into in the ordinary course of business and not in the contemplation or facilitation of the Proposed Acquisition.

6. The Bank and certain of its Affiliates, including the Applicants indicated by a checkmark under the column "Dealer" in Annex A (collectively, the "**Dealers**", and the Dealers, excluding the Restricted Dealers, collectively, the "**Non-Restricted Dealers**" and each individually, a "**Non-Restricted Dealer**"), engage in discount brokerage and/or full-service brokerage activities for their customers through ordinary customer facilitation and related services. The discount brokerage division engages only in unsolicited brokerage activities, while the full service brokerage division provides additional services, including discussions with customers regarding investment strategies (including with respect to RBC Shares) and solicited and unsolicited brokerage activities. The Dealers also effect transactions in RBC Shares for their own principal accounts in order to facilitate unsolicited customer transactions. The Dealers may accomplish these activities by engaging in direct buying and selling of RBC Shares or relaying buy and sell orders for RBC Shares to unaffiliated third parties. These activities are conducted primarily in Canada, except that these transactions may be routed to RBC subsidiaries in the United States for best execution considerations. Additionally, certain of the Dealers in the United States engage in unsolicited brokerage activities of the kind described above with their customers and related trades may be effected on the NYSE, the TSX, other exchanges or an ATS.

7. The Dealers also engage in discount brokerage and full-service brokerage activities for their customers through ordinary customer facilitation and related services. The Dealers may accomplish these activities by engaging in direct buying and selling of RBC Shares or relaying buy and sell orders for RBC Shares to Pershing LLC or unaffiliated third parties.

8. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column "Asset Manager" in Annex A (individually, an "**Asset Manager**" and collectively, the "**Asset Managers**"), each provides advisory or sub-advisory services on a discretionary basis to clients who have granted the Asset Managers discretionary investment authority over the assets in the clients' accounts (including clients' accounts that are pooled investment funds) (each, a "**Managed Account**") and who have consented, in writing, to allow the Asset Managers to exercise such discretionary investment authority to purchase RBC Shares on behalf of the Managed Accounts.

9. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column "Investment Fund Manager" in Annex A (individually, an "**IFM**" and collectively, the "**IFMs**"), each manages investment funds that have an Independent Review Committee (an "**IRC**"), which has approved the purchase of RBC Shares in the ordinary course (which would include the time period that would fall during the Restricted Period) in accordance with either section 6.2 of National Instrument 81-107 – *Independent Review Committee for Investment Funds* or the terms and conditions of exemptive relief that has been granted by the Commission (each, an "**Authorized RBC Fund**").

10. The Asset Managers and the IFMs manage assets of certain mutual funds, exchange-traded funds, pooled funds, individuals and other institutional accounts (such as corporations, trusts, pension plans, foundations, not-for-profit organizations and other affiliated and third-party investment management firms) (i.e., the Managed Accounts and the Authorized RBC Funds). As part of their ordinary investment management activities on behalf of the Managed Accounts or the Authorized RBC Funds, the Asset Managers and the IFMs, as applicable, may buy and sell RBC Shares for certain of the Managed Accounts or Authorized RBC Funds. Transactions undertaken by the Asset Managers and IFMs may be routed through certain Affiliates, including the Dealers, or to unaffiliated third parties, at the direction of the applicable Asset Manager.

11. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column "Plan Facilitator" in Annex A (individually, a "**Plan Facilitator**" and collectively, the "**Plan Facilitators**"), each purchases RBC Shares on a regular basis on behalf of (i) persons or companies (including persons or companies that are insiders of the Bank (individually, an "**Insider**" and collectively, the "**Insiders**")) who are participants in a pension, benefit, incentive, compensation or other similar plan of the Bank or an Affiliate, the awards granted under which may be settled in whole or in part in RBC Shares, including those plans listed in Annex B (individually, an "**Employee Plan**" and collectively, the "**Employee Plans**"); or (ii) the Managed Accounts, Authorized RBC Funds or Insiders that are participants in the dividend reinvestment plan of the Bank available in respect of the RBC Shares and the preferred shares of the Bank (the "**DRIP**", and together with the Employee Plans, the "**Plans**").

12. The Employee Plans are voluntary-participation savings programmes sponsored and administered by the Bank that are available to the employees of the Bank and the Affiliates. Plan participation is by way of pre-determined payroll deductions, and awards granted under the Employee Plans are subject to maturity and vesting restrictions. The Bank's obligation under the Employee Plans to deliver RBC Shares is satisfied through purchases on the secondary market and by issuance from treasury. Each of the Employee Plans is an automatic securities purchase plan for purposes of Part 5 of NI 55-104 – *Insider Reporting Requirements and Exemptions* (“**NI 55-104**”).

13. The Bank operates the DRIP to provide common and preferred shareholders with a means to receive additional common shares rather than cash dividends. The plan is only open to shareholders residing in Canada and the United States. The requirements of the DRIP are satisfied either through open market share purchases of RBC Shares by RBC Dominion or through issuance of RBC Shares from treasury.

14. The Plan Facilitators, from time to time, purchase RBC Shares on the open market to facilitate the grant of awards or exercises pursuant to the terms of the Employee Plans or in lieu of cash dividends under the DRIP. In respect of the Employee Plans, the Plan Facilitators make the purchases on a regular basis, depending on the applicable Employee Plan, solely to satisfy the Bank's obligation to deliver shares based on pre-determined payroll deductions of the employee or grants and exercise under the Plans. All purchases of RBC Shares by the Plan Facilitators in connection with the Plans are in accordance with the terms and conditions of the applicable Plan.

15. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column “Banking Entity” in Annex A (individually, a “**Banking Entity**” and collectively, the “**Banking Entities**”), each provides retail and commercial banking services to its customers and engages in the marketing and sale of investment products to its customers, including funds that may hold RBC Shares. In addition, certain of the Banking Entities provide investment advice and financial planning guidance to banking customers, and such advice and guidance may include information that would assist customers in determining whether to purchase or sell RBC Shares. The transactions that may result from these market activities are effected on the TSX, the NYSE or other equity markets.

16. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column “Trustee” in Annex A (individually, a “**Trustee**” and collectively, the “**Trustees**”), each acts as trustees, corporate service providers, administrators, executors or personal representatives of estates and trusts (“**Estates and Trusts**”). As part of their responsibilities, the Trustees sell RBC Shares already held by Estates and Trusts and purchase RBC Shares on a limited basis where permitted under applicable laws and with any required consents. Such activities are conducted in accordance with the Trustees' fiduciary duty to act in a manner that is in the best interests of the beneficiaries or grantors and to deal fairly, honestly and in good faith in doing so. The transactions that may result from these market activities may occur through the TSX and other equity marketplaces and in the United States on the NYSE.

17. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column “Custodian” in Annex A (individually, a “**Custodian**” and collectively, the “**Custodians**”), each engages in the provision of custody services, including the settlement of trades in RBC Shares, which clients or third parties authorized by clients to operate their accounts, such as a client's investment advisor or manager, arrange to be executed with a third-party broker. In connection with such custody services, a Custodian may also perform ancillary services, such as acting as a trustee and purchasing or selling RBC Shares upon the direction of their clients or the clients' investment advisors or managers (which may include effecting purchases or sales of shares in accordance with trustee's fiduciary obligations). Any purchases or sales of RBC Shares that a Custodian may engage in as a trustee are incidental to their function of providing custodial services to their clients. The Custodians do not have any discretion as to such purchases or sales and execute transactions either in accordance with their fiduciary obligations (as trustees) or upon specific directions of clients or their portfolio managers. The transactions that may result from these market activities may be effected on the TSX and other equity marketplaces and in the United States through the NYSE.

18. The Bank and certain Affiliates, including the Applicants indicated by a checkmark under the column “Securities Lending Agent” in Annex A (the “**SLAs**”), each borrows and lends securities, including RBC Shares, from and to customers as part of stock lending transactions in the ordinary course of business. In some circumstances, a customer may purchase RBC Shares from a third party in anticipation of lending them to an SLA, or a customer may arrange for a third party to purchase RBC Shares after the customer has borrowed them from an SLA. In addition, certain subsidiaries of the Bank accept RBC Shares as collateral for loans. In the event that the borrower defaults on a loan, such collateral may be foreclosed on and in some circumstances disposed of, including by selling it in the market. The transactions that may result from these market activities may be effected on the TSX and other equity marketplaces, and in the United States through the NYSE.

19. The activities of the SLAs do not constitute bids for, purchases of or inducements to make bids for or purchases of RBC Shares in the traditional sense. Nonetheless, in some circumstances (1) the activities of the SLAs may be deemed to be attempts to induce a bid or purchase because a customer may purchase RBC Shares from a third party in anticipation of lending them to an SLA, or a customer may arrange for a third party to purchase RBC Shares after the customer has borrowed them from an SLA; and (2) the activities of the SLAs may be deemed to be attempts to induce a bid or purchase because the SLA may foreclose on collateral that includes RBC Shares and dispose of it, including by selling it in the market.

*Ordinary Course Investment Activities by Insiders*

20. An Insider may purchase RBC Shares upon the exercise of their stock options and sell RBC Shares to fund the exercise price. The vesting schedule of the stock options is pre-determined pursuant to the terms of the applicable Employee Plan. Insiders may also request an increase in their contributions or allocations to the applicable Employee Plans or effect transfers of existing investments into an investment in RBC Shares, and such activities may result in the bidding for or purchase of RBC shares by such Insiders.

21. An Insider but who is not a reporting insider of the Bank (as that term is defined in NI 55-104) (individually, a “**Non-Reporting Insider**” and collectively, the “**Non-Reporting Insiders**”) may, in the normal course, transact in RBC Shares in personal investment accounts in furtherance of their personal investment objectives. Such transactions are completed on an individual basis, outside of any Employee Plans or other plans sponsored by the Bank or an Affiliate and are subject to relevant “black-out periods” and restricted periods, as applicable, under the Bank’s policies and procedures respecting information barriers and personal trading.

*Normal Course Issuer Bid*

22. The Bank operates a normal course issuer bid (“**NCIB**”) to repurchase RBC Shares for cancellation through the TSX, the NYSE and other designated exchanges and published markets in both Canada and the United States. The Bank’s NCIB is in compliance with the securities laws of Canada and the United States, as well as the rules of the TSX. These rules are in place to prevent NCIBs from abnormally influencing the market price of an issuer’s shares. The Bank is subject to annual and daily share repurchase limits in respect of its NCIB. Over a 12-month period, total shares repurchased must not exceed the greater of (i) 10% of the public float and (ii) 5% of common shares issued and outstanding. The Bank strictly abides by this daily repurchase limit. In addition, share repurchases made by the Bank must be made at a price which is not greater than the last independent trade of a board lot. RBC Dominion has built NCIB-specific trading algorithms to ensure that NCIB repurchases are made at a price that is not greater than the last independent trade of a board lot. During the Restricted Period, the Bank will conduct repurchases under its NCIB only in accordance with the terms and conditions set out in this Decision.

*Information Barriers*

23. The Bank has established information barrier policies and procedures (“**Information Barriers P&P**”) to prevent material non-public information from passing between the sales/trading areas and other areas of the Bank and the Affiliates. Accordingly, during restricted periods prior to announcements of earnings results or other material developments that have not yet become public, the Bank’s traders and sales force who conduct trading activities are generally able to continue their market activities, although senior management may restrict such activities in extraordinary circumstances. The Bank will continue to maintain these policies and procedures during the distribution related to the Proposed Acquisition.

*The Proposed Acquisition of City National*

24. On January 22, 2015, the Bank, City National and RBC USA Holdco Corporation, a Delaware corporation and a direct, wholly-owned subsidiary of the Bank (“**HoldCo**”) entered into an agreement and plan of merger (the “**Merger Agreement**”) pursuant to which the Bank will acquire City National. Under the Merger Agreement, City National will merge with HoldCo, with HoldCo surviving the merger.

25. Headquartered in Los Angeles, City National serves high net worth and commercial clients across a number of large U.S. metropolitan areas, including New York, Los Angeles, the San Francisco Bay Area and Orange County. Founded in 1954, City National’s commercial banking specialties include servicing the entertainment industry and the technology and health care segments.

26. In connection with the Proposed Acquisition, City National’s common stockholders will be entitled to elect to receive the consideration in cash or RBC Shares, subject to proration, equalizations and certain other limitations set forth in the Merger Agreement.

- (a) Each share of City National common stock that is converted into the right to receive cash consideration will receive an amount in cash equal to the “Per Share Amount.” The Per Share Amount will be calculated by dividing the “Closing Transaction Value” by the number of shares of City National common stock outstanding at completion of the Proposed Acquisition. Subject to certain adjustments and limitations as set forth in the Merger Agreement, the Closing Transaction Value represents an aggregate value, calculated by adding (1) the aggregate cash included in the Proposed Acquisition (\$94.50 multiplied by 50% of the number of shares of City National common stock outstanding at completion of the Proposed Acquisition (subject to certain adjustments)) and (2) the aggregate number of RBC Shares included in the Proposed Acquisition (41,358,212, as increased based on increases in City National shares permitted to be issued following execution of the merger agreement and decreased by shares of City National, if any, cancelled in connection

with the Proposed Acquisition) multiplied by the volume weighted average RBC Share price for the 10 trading days preceding the day of completion of the Proposed Acquisition.

- (b) Each share of City National common stock that is converted into the right to receive stock consideration will receive a number of RBC Shares equal to the Per Share Amount divided by the volume weighted average RBC Share price for the 10 trading days preceding the date of completion of the Proposed Acquisition.

27. The Proposed Acquisition is subject to the approval of City National stockholders. City National plans to mail the proxy statement/prospectus to its common stockholders as soon as practicable following the declaration of effectiveness of the registration statement referred to below, and the meeting of City National's stockholders to vote on whether to approve the Proposed Acquisition is expected to occur between 10 and 60 business days from the date of such mailing.

28. The RBC Shares to be delivered in the Proposed Acquisition distribution will be registered under the *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder, pursuant to a registration statement on Form F-4. An application will be made to list on the TSX and the NYSE the RBC Shares issuable in the Proposed Acquisition and upon exercise of converted City National stock options.

*Trading Restrictions in Connection with the Proposed Acquisition*

29. As a result of the pending distribution of RBC Shares that is to be made by the Bank as consideration for City National's common stock (the "**Merger Distribution**"), each Applicant, each other Affiliate and each Insider will be an "issuer-restricted person" and, accordingly, subject to the trading restrictions that are imposed on issuer-restricted persons by section 2.2 of the Rule (the "**IRP Trading Restrictions**") during the Restricted Period.

30. As a result of the Merger Distribution, each Restricted Dealer will also be a "dealer-restricted person" and, accordingly, also subject to the trading restrictions that are imposed on dealer-restricted persons by section 2.1 of the Rule during the Restricted Period.

31. The Restricted Period will begin on the date of dissemination of the proxy circular referred to above and end on the date on which the Proposed Acquisition is approved by the shareholders of City National or the Proposed Acquisition is terminated.

32. The RBC Shares meet the requirements in the Rule to be considered a "highly-liquid security".

*Effects of the Trading Restrictions on the Bank, the Affiliates and the Insiders*

33. In the absence of the exemption from the IRP Trading Restrictions that has been sought on behalf of the Asset Managers pursuant to the Application, an Asset Manager would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, on behalf of Managed Accounts during the Restricted Period.

34. In the absence of the exemption from the IRP Trading Restrictions that has been sought on behalf of the IFMs pursuant to the Application, an IFM would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, on behalf of Authorized RBC Funds during the Restricted Period.

35. In the absence of the exemptions sought by the Asset Managers and the IFMs pursuant to the Application, an Asset Manager or an IFM may be precluded from discharging its fiduciary obligations to a Managed Account or to an Authorized RBC Funds, as applicable, in accordance with their investment objectives during the Restricted Period even though RBC Shares are a highly-liquid security.

36. In the absence of the exemption from the IRP Trading Restrictions that has been sought by the Plan Facilitators pursuant to the Application, a Plan Facilitator would be unable to continue bidding for or purchasing RBC Shares on behalf of an Insider, a Managed Account, or an Authorized RBC Fund, as applicable, or to attempt to induce or cause any person or company to purchase RBC Shares, to facilitate the fulfilment of the obligations of the Bank to deliver RBC Shares in accordance with the terms and conditions of the relevant Plan during the Restricted Period.

37. In the absence of the exemption from the IRP Trading Restrictions that has been sought by the Banking Entities, Trustees and Custodians pursuant to the Application, a Banking Entity, a Trustee or a Custodian, as the case may be, would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, in connection with providing ordinary course banking and financial services to its customers during the Restricted Period.

38. In the absence of the exemption from the IRP Trading Restrictions that has been sought by the SLAs pursuant to the Application, an SLA would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, incidental to providing ordinary course securities lending and borrowing services to its customers during the Restricted Period.

39. In the absence of the exemption from the IRP Trading Restrictions that has been sought on behalf of the Insiders pursuant to the Application, an Insider would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, in accordance with the terms and conditions of the Plans during the Restricted Period.

40. In the absence of the exemption from the IRP Trading Restrictions that has been sought on behalf of the Non-Reporting Insiders pursuant to the Application, a Non-Reporting Insider would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, for the account of such Non-Reporting Insider or an account over which such Non-Reporting Insider exercises direction or control during the Restricted Period.

41. In the absence of the exemption from the IRP Trading Restrictions that has been sought by the Non-Restricted Dealers pursuant to the Application, a Non-Restricted Dealer would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, in connection with the provision of ordinary course market making, trading facilitation, hedging, index-related adjustments or brokerage services during the Restricted Period.

42. In the absence of the exemption from the IRP Trading Restrictions that has been sought by the Bank pursuant to the Application, the Bank would be unable to continue bidding for and purchasing RBC Shares, or to attempt to induce or cause any person or company to purchase RBC Shares, in connection with its NCIB during the Restricted Period.

43. Although a Restricted Dealer will be able to bid for and purchase RBC Shares and related derivatives for its own account or for accounts over which it exercises control or direction, or to attempt to induce or cause any person or company to purchase RBC Shares, during the Restricted Period in reliance upon the exemption for a highly-liquid security that is available pursuant to subsection 3.1(1)(b) of the Rule, in the absence of the exemption from section 2.1 of the Rule that has been sought by the Restricted Dealers pursuant to the Application, it will be unable to purchase RBC Shares on behalf of the Bank, the Affiliates or the Insiders in connection with a Managed Account, an Authorized RBC Fund, a Plan or the provision of banking and financial services in the ordinary course, incidental to provision of securities lending and borrowing services in the ordinary course, or in connection with the Bank's NCIB, as the case may be.

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

**IT IS THE DECISION** of the Director pursuant to section 5.1 of the Rule that for purposes of the Proposed Acquisition, the following are exempt from section 2.2 of the Rule:

- (a) the bidding for or the purchasing of RBC Shares by an Asset Manager on behalf of a Managed Account;
- (b) the bidding for or the purchasing of RBC Shares by an IFM on behalf of an Authorized RBC Fund;
- (c) the bidding for or the purchasing of RBC Shares by a Plan Facilitator on behalf of an Insider that is a participant in an Employee Plan or a Managed Account, an Authorized RBC Fund or an Insider that is a participant in the DRIP, in each case in accordance with the terms and conditions of the relevant Plan;
- (d) the bidding for or the purchasing of RBC Shares by a Banking Entity in connection with the provision of retail and commercial banking services;
- (e) the bidding for or the purchasing of RBC Shares by a Trustee in connection with the provision of trusteeship services, corporate services, or administration, execution and personal representation of estates and trusts services;
- (f) the bidding for or the purchasing of RBC Shares by a Custodian in connection with the provision of custody services;
- (g) the bidding for or the purchasing of RBC Shares by an SLA in connection with the provision of securities lending and borrowing services;
- (h) the bidding for or the purchasing of RBC Shares by an Insider in accordance with the terms of a Plan;



## Decisions, Orders and Rulings

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- (i) the bidding for or the purchasing of RBC Shares by a Non-Reporting Insider for the account of such Non-Reporting Insider or an account over which such Non-Reporting Insider exercises direction or control;
- (j) the bidding for or the purchasing of RBC Shares by a Non-Restricted Dealer in connection with the provision of market making, trading facilitation, hedging, index-related adjustments or brokerage services;
- (k) the bidding for or the purchasing of RBC Shares by the Bank in connection with the Bank's NCIB; and
- (l) any activities conducted by the Bank, any Affiliate or any Insider that may be considered an attempt to induce or cause any person or company to purchase RBC Shares in furtherance of any of the activities or actions set out in Paragraphs (a) to (k) above.

**IT IS ALSO THE DECISION** of the Director pursuant to section 5.1 of the Rule that for the purposes of the Proposed Acquisition, the Restricted Dealers are exempt from section 2.1 of the Rule in respect of certain limited, ordinary course trading activities during the Restricted Period, namely, the bidding for or the purchasing of RBC Shares:

- (a) for the account of an Insider when such bid or purchase is made in accordance with the terms and conditions of a Plan;
- (b) for the account of a Non-Reporting Insider or an account over which a Non-Reporting Insider exercises direction or control;
- (c) for the account of the Bank in connection with the Bank's NCIB; and
- (d) for the account of the Bank, any Affiliate or any Insider in furtherance of any trade for which the Director has granted exemption from section 2.2 of the Rule for purposes of the Proposed Acquisition.

March 16, 2015

"Susan Greenglass"  
Director, Market Regulation Branch

ANNEX A

APPLICANTS

	Entity	Dealer	Asset Manager	Investment Fund Manager	Plan Facilitator	Banking Entity	Trustee	Custodian	Securities Lending Agent
1.	RBC Capital Markets (Australia)	✓							
2.	RBC Capital Markets LLC	✓	✓						
3.	RBC cees Trustee (Guernsey) Limited						✓		
4.	RBC cees Trustee Limited						✓		
5.	RBC Direct Investing Inc.	✓							
6.	RBC Dominion Global Limited	✓	✓						
7.	RBC Dominion Securities Inc.	✓	✓		✓				
8.	RBC Europe Limited	✓			✓	✓			
9.	RBC Global Asset Management (UK) Limited		✓						
10.	RBC Global Asset Management Inc.		✓	✓					
11.	RBC Investment Management (Caribbean) Limited		✓						
12.	RBC Investment Management Asia Limited		✓						
13.	RBC Investment Services Asia Limited	✓							
14.	RBC Investment Solutions (CI) Limited		✓						
15.	RBC Investor Services Trust							✓	✓
16.	RBC Investor Services Bank, SA (and subsidiaries)							✓	✓
17.	RBC Merchant Bank (Caribbean) Limited	✓			✓				
18.	RBC Phillips, Hager and North Investment Counsel Inc.		✓						
19.	RBC Private Counsel (USA) Inc.		✓						
20.	RBC Trust Company (Delaware) Limited						✓		
21.	RBC Trust Company (International Limited)						✓		
22.	RBC Trust Company (Jersey) Limited				✓		✓		

	Entity	Dealer	Asset Manager	Investment Fund Manager	Plan Facilitator	Banking Entity	Trustee	Custodian	Securities Lending Agent
23.	RBC Trustees (CI) Limited						✓		
24.	RBC Trustees (Guernsey) Limited				✓		✓		
25.	Regent Capital Trust Corporation Limited						✓		
26.	Royal Bank of Canada (Channel Islands) Limited					✓		✓	✓
27.	Royal Bank of Canada (Suisse) SA					✓			
28.	Royal Bank of Canada Investment Management (UK) Limited	✓	✓						
29.	Royal Bank of Canada Investment Management (USA) Limited	✓	✓						
30.	Royal Bank of Canada Trust Company (Bahamas) Limited						✓		
31.	Royal Bank of Canada Trust Company (Cayman) Limited						✓		
32.	Royal Trust Corporation of Canada						✓	✓	
33.	The Royal Trust Company						✓	✓	
34.	West Indies Stockbrokers Limited	✓			✓				

**ANNEX B**  
**PLANS**

Country	Plan Name	Plan Type	Sponsor	Trustee
Canada	Royal Employee Savings and Share Ownership Plan (RESSOP)	Savings Plan	Royal Bank of Canada	Sun Life Financial Trust Inc.
	Dominion Securities Savings Plan (DSSP)	Savings Plan	RBC Dominion Securities Inc.	Sun Life Financial Trust Inc.
US	RBC USA Retirement and Savings Plan (401K)	Defined Contribution Pension Plan	RBC USA Holdco Corporation	Fidelity Management Trust Company
	US Wealth Accumulation Plan	Savings Plan	Royal Bank of Canada	Fidelity Management Trust Company
	Bonus Deferred Advantage Plan	Savings Plan	Royal Bank of Canada	Fidelity Management Trust Company
	Employee Deferred Advantage Plan	Savings Plan	Royal Bank of Canada	Fidelity Management Trust Company
	J.B. Hanauer & Co. Employee Incentive Plan	Savings Plan	RBC Dain Rauscher	Fidelity Management Trust Company
Asia	J.B. Hanauer & Co. Lifestyle Deferred Comp Plan	Savings Plan	RBC Dain Rauscher	Fidelity Management Trust Company
	Asia Savings Plan	Savings Plan	Royal Bank of Canada	Sun Life Financial Trust Inc.
Australia	Australia Employee Share Plan	Savings Plan	Royal Bank of Canada	Sun Life Financial Trust Inc.
Caribbean	Employee Savings Plan for Barbados and Eastern Caribbean Employees	Savings Plan	Royal Bank of Canada	Sun Life Financial Trust Inc.
	Bahamas, Cayman and Turks & Caicos Islands Employee Savings Plan	Savings Plan	Royal Bank of Canada	Sun Life Financial Trust Inc.
Channel Islands	Royal Bank of Canada (Channel Islands) Limited Guernsey Employee Share Ownership Plan	Savings Plan	Royal Bank of Canada	RBC Corporate Employee and Executive Services
	Royal Bank of Canada (Channel Islands) Limited Jersey Employee Share Ownership Plan	Savings Plan	Royal Bank of Canada	RBC Corporate Employee and Executive Services
Ireland	RBC Investor and Treasury Services Share Participation Scheme	Savings Plan	Royal Bank of Canada	Mercer
Switzerland	RBC (Suisse) Employee Shareholding Scheme	Savings Plan	Royal Bank of Canada	Royal Bank of Canada (Suisse) SA
Trinidad	Royal Bank Employee Stock Ownership Plan (ESOP I)	Savings Plan	RBC Financial (Caribbean) Limited	RBC Trust (Trinidad & Tobago) Limited
UK	RBC Share Incentive Plan (SIP)	Savings Plan	Royal Bank of Canada	Capita IRG Trustees Limited

**2.1.9 Chaparral Gold Corp. – s. 1(10)(a)(ii)**

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

**Applicable Legislative Provisions**

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

“Shannon O’Hearn”  
Manager, Corporate Finance  
Ontario Securities Commission

March 17th, 2015

Chaparral Gold Corp.  
c/o Waterton Global Resource Management, Inc.  
Commerce Court West  
199 Bay Street, Suite 5050  
Toronto, ON M5L 1E2

Dear Sirs/Mesdames:

**Re: Chaparral Gold Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta, Ontario, Quebec, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and Yukon (the Jurisdictions) that the Applicant is not a reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, 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;
- (b) no securities of the Applicant, 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;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

2.2 Orders

2.2.1 Stetson Oil & Gas Ltd. – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer is already a reporting issuer in Alberta and British Columbia – Issuer’s securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia are substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11)(b).

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

**AND**

**IN THE MATTER OF  
STETSON OIL & GAS LTD.**

**ORDER  
(Clause 1(11)(b))**

**UPON** the application of Stetson Oil & Gas Ltd. (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to clause 1(11)(b) of the Act deeming the Issuer to be a reporting issuer for the purposes of Ontario securities law;

**AND UPON** considering the application and the recommendation of the staff of the Commission;

**AND UPON** the Issuer having represented to the Commission as follows:

1. On September 30, 2004 Spearhead Resources Inc. and Camflo International Inc. were amalgamated pursuant to the *Business Corporations Act* (Alberta) and the name of the amalgamated corporation became Arctos Petroleum Corp. (“**Arctos**”). On November 9, 2007 Arctos and Stetson Oil & Gas Ltd. amalgamated and the name of the amalgamated corporation became Arctos Petroleum Corp. On November 9, 2007 Arctos Petroleum Corp. changed its name to “Stetson Oil & Gas Ltd.” (“**Stetson**”) and consolidated its common shares on a 10:1 basis. Pursuant to Articles of Amendment filed on October 2, 2008 Stetson created a series of preferred shares. On June 1, 2009 Stetson amalgamated with 1470975 Alberta Ltd. and the name of the amalgamated corporation became Stetson Oil & Gas Ltd. The Issuer consolidated its common shares on a 11:1 basis on February 27, 2012.
2. The Issuer was continued under the *Business Corporations Act* (Ontario) on October 21, 2014.
3. The Issuer’s head office is located at 65 Queen Street West, Suite 815, Toronto, Ontario, M5H 2M5.
4. The authorized share capital of the Issuer consists of an unlimited number of preferred and common shares, of which 32,977,098 common shares are issued and outstanding as of March 4, 2015 (the “**Common Shares**”). Currently there are no preferred shares issued and outstanding.
5. The Common Shares have been listed and posted for trading on the TSX Venture Exchange (“**TSXV**”) since approximately January 6, 1997. The current trading symbol is “SSN”.
6. Pursuant to the policies of the TSXV, a listed-issuer, which is not otherwise a reporting issuer in Ontario, must assess whether it has a “significant connection to Ontario” (as defined in the policies of the TSXV) and, upon becoming aware that it has a significant connection to Ontario, promptly make a bona fide application to the Commission to be deemed a reporting issuer in Ontario.
7. The Issuer has determined that it has a significant connection to Ontario in that, in addition to its head office being located in Ontario, based on a report prepared by Broadbridge, over 39.56% of the Common Shares are held by persons resident in Ontario.
8. Upon becoming a reporting issuer in Ontario, the Issuer confirms the Commission will become the principal regulator of the Issuer.
9. The Issuer became a reporting issuer under the *Securities Act* (British Columbia) (the “**BC Act**”) and the *Securities Act* (Alberta) (the “**Alberta Act**”) on September 30, 2004.
10. The Issuer is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than British Columbia and Alberta.
11. The Issuer is not on the lists of defaulting reporting issuers maintained by the Alberta Securities Commission and the British Columbia Securities Commission. To the knowledge of the officers and directors of the Issuer, the Issuer has not been the subject of any enforcement actions by the Alberta or British Columbia securities commissions or by the TSXV, and the Issuer is not in default of any requirement of the Act, the Alberta Act or the BC Act.
12. The Issuer is not in default of any of the rules, regulations or policies of the TSXV.

13. The continuous disclosure requirements of the Alberta Act and the BC Act are substantially the same as the continuous disclosure requirements under the Act.
14. The materials filed by the Issuer as a reporting issuer in the Provinces of Alberta and British Columbia are available on the System for Electronic Document Analysis and Retrieval ("SEDAR").
15. Neither the Issuer nor any of its officers, directors or, to the knowledge of the Issuer or its officers and directors, any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority, or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
16. Neither the Issuer, nor any of its officers, directors nor, to the knowledge of the Issuer and its officers and directors, any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.
17. Except as set out below, none of the officers or directors of the Issuer nor, to the knowledge of the Issuer and its officers and directors, any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to: (i) any cease trade or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

Mr. Ahmed Said was an officer and director of Stetson Oil & Gas Ltd. which on May 7, 2008

became subject to a cease trade order for failing to file its financial statements. This cease trade order was revoked on May 30, 2008.

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

**IT IS HEREBY ORDERED** pursuant to subsection 1(11)(b) of the Act that the Issuer be deemed to be a reporting issuer for the purposes of Ontario securities law.

**DATED** at Toronto on this 9th day of March, 2015.

"Shannon O'Hearn"  
Manager, Corporate Finance  
Ontario Securities Commission

2.2.2 Unite Capital Corp. – s. 1(6) of the OBCA

Headnote

Subsection 1(6) of the Business Corporations Act (Ontario) – application for an order that an issuer is deemed to have ceased to be offering its securities to the public – the applicant is a wholly owned subsidiary of another issuer as a result of an amalgamation.

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  
UNITE CAPITAL CORP.  
(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 the OBCA. The Applicant’s registered and head office located at 77 King Street West, Suite 3000, Toronto, Ontario.
2. The Applicant’s authorized capital consisted of an unlimited number of common shares without par value (the **Common Shares**).
3. On June 25, 2014, the Applicant was created by the amalgamation of Unite Capital Corp. (a predecessor to the Applicant) and Lakeside Acquisitions Inc., a wholly-owned subsidiary of Lakeside Minerals Inc. (**Lakeside**) (the **Amalgamation**). Each shareholder of Unite Capital Corp. (pre-Amalgamation) received shares of Lakeside in consideration of the Amalgamation. As a result of the Amalgamation the Applicant is a wholly-owned subsidiary of Lakeside and all of the outstanding shares of the Applicant are held by Lakeside.
4. Lakeside is a reporting issuer in each of British Columbia and Alberta, and the common shares of

Lakeside are traded on the TSX Venture Exchange under the ticker symbol “LAK”.

5. Other than the Common Shares held by Lakeside, the Applicant has no other securities outstanding, including debt securities.
6. The common shares of Unite Capital Corp. (pre-Amalgamation) were de-listed from the TSX Venture Exchange following the close of trading on June 25, 2014.
7. No securities of the Applicant, including any 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.
8. Effective September 15, 2014, the Applicant successfully surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.
9. The Applicant is currently a reporting issuer in each of Ontario and Alberta (the **Jurisdictions**) and is not a reporting issuer or the equivalent in any jurisdiction of Canada, other than the Jurisdictions. The Applicant has applied for relief to cease to be a reporting issuer in all of the Jurisdictions.
10. The Applicant has no current intention to seek public financing by way of an offering of securities.

AND UPON the Commission being satisfied that to do so 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 for the purpose of the OBCA.

DATED at Toronto this 6th day of March, 2015.

“Edward P. Kerwin”  
Ontario Securities Commission

“Deborah Leckman”  
Ontario Securities Commission



**2.2.3 Eric Inspektor**

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

**AND**

**IN THE MATTER OF  
ERIC INSPEKTOR**

**ORDER**

**WHEREAS** on March 28, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 28, 2014, to consider whether it is in the public interest to make certain orders against Eric Inspektor (the "Respondent");

**AND WHEREAS** the Notice of Hearing set a hearing in this matter for April 15, 2014 at 10:00 a.m.;

**AND WHEREAS** on April 8, 2014, the hearing was rescheduled by the Commission to commence on April 30, 2014 at 10:00 a.m.;

**AND WHEREAS** on April 30, 2014, Staff submitted *inter alia* that its disclosure to the Respondent would be substantially completed before the end of May 2014;

**AND WHEREAS** on April 30, 2014, the Commission ordered that the hearing be adjourned to June 18, 2014;

**AND WHEREAS** on June 18, 2014, Staff confirmed that disclosure to the Respondent was substantially complete, and counsel to the Respondent submitted that she would require some time to review Staff's disclosure and address any issues arising from such disclosure;

**AND WHEREAS** on June 20, 2014, the Commission ordered that the hearing be adjourned to September 17, 2014;

**AND WHEREAS** on September 2, 2014, counsel for the Respondent, Crawley MacKewn Brush LLP ("CMB"), filed a notice of motion, pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168 (the "Rules"), for leave to withdraw as representative for the Respondent and requesting that the motion be heard in writing (the "Withdrawal Motion");

**AND WHEREAS** the affidavit filed by CMB states that the Respondent intends to represent himself;

**AND WHEREAS** on September 15, 2014, the Commission ordered that the Withdrawal Motion be heard

in writing and granted CMB leave to withdraw as representative for the Respondent;

**AND WHEREAS** on September 17, 2014, the Respondent advised that he was seeking an order pursuant to section 17 of the Act authorizing disclosure of certain documents which the Respondent received from Staff pursuant to Staff's disclosure obligations (the "Section 17 Motion");

**AND WHEREAS** on September 17, 2014, the Commission adjourned the hearing to November 3, 2014;

**AND WHEREAS** on October 21, 2014, the Section 17 Motion was heard *in camera* and on December 10, 2014, the Commission delivered its Reasons and Decision on the Section 17 Motion (*Re Eric Inspektor* (2014), 37 O.S.C.B. 11271);

**AND WHEREAS** on November 3, 2014, Staff and the Respondent appeared and made submissions before the Commission;

**AND WHEREAS** the Respondent advised that he is seeking a summons authorizing disclosure of a legal opinion provided by a law firm to a bank regarding one or more companies named in the Statement of Allegations in this matter;

**AND WHEREAS** on November 3, 2014, the Commission ordered that: (a) the hearing on the merits begin on April 8, 2015 and continue on April 9, 13, 14, 15, 16, 17, 20, 22, 23, 24 and April 27, 2015; (b) a confidential pre-hearing conference (a "PHC") be held on December 15, 2014; (c) the Respondent file a request for summons to the Office of the Secretary indicating the document that the Respondent seeks to be produced and the reasons for the request; and (d) if necessary, a hearing be held on January 15, 2015 to consider a motion by the Respondent for additional disclosure;

**AND WHEREAS** on December 15, 2014, a confidential PHC was held at which the Commission considered submissions of Staff and the Respondent;

**AND WHEREAS** on December 15, 2014, the Commission ordered that: (a) the Respondent make initial disclosure to Staff of documents in the Respondent's possession that the Respondent intends to produce, enter as evidence or rely upon at the hearing on the merits by December 29, 2014; (b) the hearing date of January 15, 2015 be vacated; (c) a hearing be held on January 30, 2015 to consider a motion by Staff or the Respondent for additional disclosure, if necessary; (d) a further confidential PHC be held on March 4, 2015 (the "March 4 PHC"); (e) each party make best efforts to provide to the other party its hearing brief by March 9, 2015; and (f) the Respondent make best efforts to provide Staff a complete witness list and witness summary for each witness by March 19, 2015;

**AND WHEREAS** on February 11, 2015, the Respondent requested an adjournment (the "Adjournment") of the hearing on the merits to June 2015;

**AND WHEREAS** on February 12, 2015, Staff advised that Staff did not object to the Adjournment;

**AND WHEREAS** on February 19, 2015, the Commission declined to grant the Adjournment but indicated that it was willing to consider submissions from the parties on the Adjournment at the confidential March 4 PHC;

**AND WHEREAS** on March 4, 2015, the confidential March 4 PHC was held at which the Commission considered submissions of Staff and the Respondent;

**AND WHEREAS** on March 4, 2015, the Commission ordered that: (a) the confidential March 4 PHC be adjourned to March 11, 2015 at 9:30 a.m.; and (b) each party provide to the other party its hearing brief by March 16, 2015;

**AND WHEREAS** on March 11, 2015, Staff and the Respondent appeared and made submissions before the Commission;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED** that each party shall provide to the other party its hearing brief by March 23, 2015.

**DATED** at Toronto, this 11th day of March, 2015.

“Alan J. Lenczner”

**2.2.4 Darren Spears and May Spears – ss. 127(1), 127(5)**

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

**AND**

**IN THE MATTER OF  
DARREN SPEARS and MAY SPEARS**

**ORDER  
(Subsections 127(1) and 127(5))**

**WHEREAS** Staff were investigating the possibility of illegal tipping and insider trading in shares of Magna International Inc. by the Respondents;

**AND WHEREAS** on December 12, 2014, the Commission, pursuant to clause 2 of subsections 127(1) and 127(6) of the Act ordered that all trading in securities of Magna by the Respondents cease for a period of 15 days from the date of that Order (the “Cease Trade Order”);

**AND WHEREAS** on December 18, 2014 and January 15, 2015, on consent of the parties, the Cease Trade Order was extended, with some modifications, until April 17, 2015;

**AND WHEREAS** Staff are no longer continuing its investigation of Darren and May Spears for breaches of the Act at this time;

**AND WHEREAS** Staff request an Order that the Cease Trade Order, as varied, be terminated;

**AND WHEREAS** the Respondents consent to the requested Order;

**IT IS HEREBY ORDERED** that the December 18, 2014 Cease Trade Order, as varied, is terminated.

**DATED** at Toronto this 9th day of March, 2015.

“H. I. Wetston”

2.2.5 Michael A. Beckley – s. 127(1)

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

**AND**

**IN THE MATTER OF  
MICHAEL A. BECKLEY**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND MICHAEL A. BECKLEY**

**ORDER  
(Subsection 127(1))**

**WHEREAS** on March 12, 2015, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in relation to the Statement of Allegations filed by Staff of the Commission (“Staff”) on March 12, 2015 in respect of Michael A. Beckley (“Beckley” or the “Respondent”);

**AND WHEREAS** the Respondent entered into a Settlement Agreement with Staff dated March 10, 2015 (the “Settlement Agreement”) in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 12, 2015, subject to the approval of the Commission;

**AND WHEREAS** the Notice of Hearing dated March 12, 2015 also announced that the Commission proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for the Respondent and from Staff;

**AND WHEREAS** Beckley undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 33 (b) to (c) of the Settlement Agreement. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS HEREBY ORDERED THAT:**

1. the Settlement Agreement is hereby approved;

2. if Beckley holds any positions as an officer or director of a reporting issuer, Beckley shall resign any such positions, pursuant to paragraph 7 of subsection 127(1) of the Act; and

3. Beckley is prohibited from becoming or acting as an officer or director of a reporting issuer until the later of (a) five (5) years from the date of approval of the Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of reporting issuers.

**DATED** at Toronto, this 16th day of March, 2015.

“Alan J. Lenczner”

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## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Michael A. Beckley

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

AND

IN THE MATTER OF  
MICHAEL A. BECKLEY

AND

IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND MICHAEL A. BECKLEY

#### SETTLEMENT AGREEMENT

#### PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to approve this settlement agreement (the “Settlement Agreement”) and to make certain orders in respect of Michael A. Beckley (“Beckley” or the “Respondent”).

#### PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 12, 2015 (the “Proceeding”) against the Respondent in accordance with the terms and conditions set out in Part VII of this Settlement Agreement. The Respondent consents to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

#### PART III – AGREED FACTS

3. For the purposes of this Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement and the conclusion in Part V of this Settlement Agreement.

#### A. The Respondent

4. Between September 2011 and July 2013 (the “Material Time”), HydraLogic Systems Inc. (“HydraLogic” or the “Issuer”) was a reporting issuer in the provinces of British Columbia, Alberta and Ontario with a head office in Ontario.

5. HydraLogic was incorporated on January 14, 2002 for the purposes of developing and manufacturing environmental technologies. On January 16, 2004, HydraLogic amalgamated with LeChamp Capital Corp., a Capital Pool Company trading on the TSX Venture Exchange.

6. HydraLogic's wholly owned subsidiaries were Ecolo Odor Control Technologies Inc. (“Ecolo”) and HydraLogic Systems Corp. (“HSC”) (collectively, the “Subsidiaries”). Ecolo and HSC were HydraLogic's only substantial assets.

7. During the Material Time, Beckley was a resident of Ontario and the President & Chief Executive Officer and a directing mind of HydraLogic.

**B. The Cease Trade Order**

8. On May 14, 2010, the Commission issued a temporary order that all trading in the securities of HydraLogic, whether direct or indirect, cease immediately for a period of 15 days (the "TCTO").

9. On May 26, 2010, the TCTO was extended by the Commission until further order of the Commission revoking it (together with the TCTO, the "CTO").

10. The CTO was made because HydraLogic failed to file its audited financial statements for the year ended December 31, 2009; the related Management Discussion and Analysis (the "MD&A"); and the certification required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

11. The CTO remains in effect at the time of this Settlement Agreement.

**C. Breaches of the Cease Trade Order**

**(a) Convertible Debentures**

12. In November 2011, while subject to the CTO, HydraLogic entered into convertible debenture agreements with Antevorta Capital Partners Limited, New Economy Holdings Ltd. and Stratbrand Enterprises Ltd. (collectively, the "Loans"). The lending entities had the option of converting all or any portion of the amounts outstanding to common shares of HydraLogic.

13. The Loans were signed by Beckley on behalf of HydraLogic.

**(b) Letter of Intent**

14. On July 18, 2013, while subject to the CTO, HydraLogic entered into a non-binding letter of intent (the "LOI") with HydraServices Inc. The purpose of the LOI was to confirm the intention of HydraLogic and HydraServices Inc. to complete negotiations and to enter into an agreement of purchase and sale providing for the purchase of two environmental technologies.

15. The purchase price of \$500,000 was to be satisfied in part by the vendor causing HydraLogic, on closing of the agreement, "to issue to the [v]endor such number of common shares in HydraLogic's capital as is equal to the quotient obtained by dividing Two Hundred and Fifty Thousand Dollars (\$250,000) by the average of the daily closing price of the common shares on the TSX Venture Exchange over the period of twenty (20) Business Days ended on the Business Day immediately prior to the Closing Date."

**D. Insufficient Management Information Circular**

16. Shareholders of HydraLogic received a Notice of Special Meeting of Shareholders and Management Information Circular dated September 30, 2011 (the "Notice" and the "Circular"). The Notice advised of a special meeting of shareholders to be held on November 2, 2011 at which shareholders would be asked to approve a special resolution allowing the sale of all of the issued and outstanding shares of the Subsidiaries to HydraServices Inc., pursuant to the terms of a share purchase agreement dated September 15, 2011 (the "Sale").

17. The Notice also advised that shareholders would be asked to approve the three convertible Loans of USD \$33,333.00 each to the Issuer.

18. The Issuer had not filed audited financial statements for the year ending December 31, 2009 or interim financial reports for any subsequent period. As a result, the Circular did not comply with the requirements of Item 14.1 of Form 51-102F5.

**E. Mitigating Factors**

19. Beckley has no prior disciplinary record with the Commission.

20. Beckley had no previous experience running a public company and no previous experience with the compliance requirements of a reporting issuer.

21. Beckley obtained on HydraLogic's behalf legal advice regarding the Loans before they were entered into.

22. None of the Loans was ever converted into common shares of HydraLogic and Beckley took subsequent steps to have the terms of the Loans which breached the CTO retracted once he was advised of the breach by Staff of the Commission. The retracted Loans were replaced with loans that were not convertible into common shares.

23. Beckley obtained on HydraLogic's behalf legal advice in respect of the Sale and the sufficiency and compliance of the Circular prior to the finalization and distribution of the Circular to shareholders.

24. The LOI was subject to certain conditions precedent, including that HydraLogic shall have received all necessary regulatory approvals on or before closing. In particular, the transaction contemplated by the LOI was proposed as a transaction contingent upon the granting of HydraLogic's application to have the CTO lifted, and the transaction ultimately did not proceed.

25. Beckley cooperated fully with Staff's investigation, including by providing documents to Staff in respect of HydraLogic. Beckley did not attempt to conceal the conduct at issue in this Settlement Agreement.

26. Beckley obtained no personal benefit from the breaches of the Act set out below.

#### **PART IV – RESPONDENT'S POSITION**

27. Beckley requests that the settlement hearing panel consider the following in respect of the Respondent's position as well as the mitigating factors set out above:

- a. The Sale and Loans were recommended to shareholders by HydraLogic's board of directors and, as outlined in the Circular, resulted from an extensive search for a solution to address HydraLogic's financial distress and to avoid having the corporation forced into bankruptcy;
- b. Beckley and HydraLogic relied on the legal advice obtained in respect of the Loans, the Sale and the sufficiency and compliance of the Circular; and
- c. Beckley did not understand that his or HydraLogic's conduct was contrary to Ontario Securities law and his and HydraLogic's breach of Ontario Securities law was both unintentional and inadvertent.

#### **PART V – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST**

28. HydraLogic breached the terms of the CTO by entering into the Loans and the LOI, which constituted an act in furtherance of trade, within the meaning of the Act.

29. HydraLogic breached subsection 9.1(2)(a) of National Instrument 51-102 *Continuous Disclosure Obligations* as the Circular did not comply with the requirements of Item 14.1 of Form 51-102F5.

30. Beckley authorized, permitted or acquiesced in the above contraventions of Ontario securities law by HydraLogic, pursuant to section 129.2 of the Act.

31. The conduct of Beckley was contrary to Ontario securities law and contrary to the public interest.

#### **PART VI – REPRESENTATION TO STAFF**

32. Beckley has represented to Staff that he no longer holds any director and/or officer positions at any reporting issuer.

#### **PART VII – TERMS OF SETTLEMENT**

33. The Respondent agrees to the terms of settlement listed below and to the Order attached hereto, made pursuant to subsection 127(1) of the Act that:

- (a) this Settlement Agreement shall be approved;
- (b) if Beckley holds any positions as an officer or director of a reporting issuer, Beckley shall resign any such positions, pursuant to paragraph 7 of subsection 127(1) of the Act;
- (c) Beckley shall be prohibited from becoming or acting as an officer or director of a reporting issuer until the later of (a) five (5) years from the date of approval of the Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of reporting issuers.

34. Beckley undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 33 (b) to (c) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

35. Beckley will attend in person at the hearing before the Commission to consider the proposed settlement.

#### PART VIII – STAFF COMMITMENT

36. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 37 below.

37. If the Commission approves this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

#### PART IX – PROCEDURE FOR APPROVAL OF SETTLEMENT

38. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for March 16, 2015 at 10:00 a.m., according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 OSCB 4168.

39. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

40. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

41. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

42. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

#### PART X – DISCLOSURE OF SETTLEMENT AGREEMENT

43. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and
- (b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

44. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. Any obligations of confidentiality shall terminate upon the commencement of the public settlement hearing. If, for whatever reason, the Commission does not approve the Settlement Agreement, the terms of the Settlement Agreement remain confidential indefinitely, unless Staff and the Respondent otherwise agree or if required by law.

#### PART XI – EXECUTION OF SETTLEMENT AGREEMENT

45. This Settlement Agreement may be signed in one or more counterparts which, together, constitute a binding agreement.

46. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated at Toronto this 10th day of March, 2015.

"Michael A. Beckley"  
Michael A. Beckley

"Liz Beckley"  
Witness



*“Tom Atkinson”*

Tom Atkinson  
Director, Enforcement Branch  
Ontario Securities Commission

**Schedule "A"**

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

**AND**

**IN THE MATTER OF  
MICHAEL A. BECKLEY**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN  
STAFF OF THE ONTARIO SECURITIES COMMISSION  
AND MICHAEL A. BECKLEY**

**ORDER  
(Subsection 127(1))**

**WHEREAS** on March 12, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Michael A. Beckley ("Beckley" or the "Respondent"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 12, 2015;

**AND WHEREAS** the Respondent entered into a Settlement Agreement with Staff dated March 12, 2015 (the "Settlement Agreement") in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 12, 2015, subject to the approval of the Commission;

**AND WHEREAS** the Notice of Hearing dated March 12, 2015 also announced that the Commission proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement;

**AND UPON** reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for the Respondent and from Staff;

**AND WHEREAS** Beckley undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 33 (b) to (c) of the Settlement Agreement. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS HEREBY ORDERED THAT:**

1. the Settlement Agreement is hereby approved;
2. if Beckley holds any positions as an officer or director of a reporting issuer, Beckley shall resign any such positions, pursuant to paragraph 7 of subsection 127(1) of the Act; and
3. Beckley is prohibited from becoming or acting as an officer or director of a reporting issuer until the later of (a) five (5) years from the date of approval of the Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of reporting issuers.

**DATED** at Toronto, this \_\_\_\_ day of March, 2015.

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Mahdia Gold Corp.	2-Mar-15	13-Mar-15	13-Mar-15	
Reparo Energy Partners Corp.	12-Mar-15	24-Mar-15		
Starfire Minerals Inc.	13-Mar-15	25-Mar-15		
Southern Pacific Resource Corp.	26-Feb-15	09-Mar-15	09-Mar-15	

### 4.2.1 Temporary, Permanent & Rescinding Management 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

THERE ARE NO ITEMS TO REPORT THIS WEEK.

### 4.2.2 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
Northcore Resources Inc.	09-Mar-15	20-Mar-2015			

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## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://www.carswell.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](http://www.sedi.ca)).



## Chapter 8

# Notice of Exempt Financings

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### REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

407 International Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 10, 2015  
NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

\$1,500,000,000.00 - Medium-Term Notes (Secured)

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
TD Securities Inc.  
Scotia Capital Inc.  
National Bank Financial Inc.  
Casgrain & Company Limited  
CIBC World Markets Inc.  
Merrill Lynch Canada Inc.

**Promoter(s):**

-

**Project #2318054**

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**Issuer Name:**

AGF Canadian Large Cap Dividend Class  
AGF Canadian Large Cap Dividend Fund  
AGF Equity Income Focus Fund  
AGF Global Aggregate Bond Fund  
AGF Global Dividend Fund  
AGF Global Equity Class  
AGF Global Equity Fund  
AGF Income Focus Fund  
AGF Tactical Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 13, 2015  
NP 11-202 Receipt dated March 16, 2015

**Offering Price and Description:**

Series Q and Series W Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

AGF Investments Inc.

**Project #2319602**

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**Issuer Name:**

Baytex Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 11, 2015  
NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

\$\* - \* Common Shares

Price: \$\* per Common Share

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.  
RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
TD Securities Inc.  
Barclays Capital Canada Inc.  
Desjardins Securities Inc.  
Merrill Lynch Canada Inc.  
Peters & Co. Limited  
AltaCorp Capital Inc.  
FirstEnergy Capital Corp.  
Macquarie Capital Markets Canada Ltd.  
Raymond James Ltd.

**Promoter(s):**

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**Project #2318566**

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**Issuer Name:**

Baytex Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus dated March 12, 2015

NP 11-202 Receipt dated March 12, 2015

**Offering Price and Description:**

\$549,995,000 - 31,700,000 Common Shares

Price: \$17.35 per Common Share

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.  
RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
TD Securities Inc.  
Barclays Capital Canada Inc.  
Desjardins Securities Inc.  
Merrill Lynch Canda Inc.  
Peters & Co. Limited  
AltaCorp Capital Inc.  
FirstEnergy Capital Corp.  
Macquarie Capital Markets Canada Ltd.  
Raymond James Ltd.

**Promoter(s):**

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**Project #2318566**

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**Issuer Name:**

Brandes Global Equity Fund  
Brandes U.S. Equity Fund  
Lazard Global Equity Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 12, 2015

NP 11-202 Receipt dated March 13, 2015

**Offering Price and Description:**

Class AH, FH, KH, LH, MH and IH Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Brandes Investment Partners & Co.

**Project #2319049**

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**Issuer Name:**

CRH Medical Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 11, 2015

NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

C\$23,800,000.00 - 7,000,000 Common Shares

Price: C\$3.40 per Offered Share

**Underwriter(s) or Distributor(s):**

Clarus Securities Inc.  
Bloom Burton & Co. Limited  
Acumen Capital Finance Partners Limited  
Beacon Securities Limited

**Promoter(s):**

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**Project #2318502**

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**Issuer Name:**

Dundee Acquisition Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 9, 2015

NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

\$10,000,000 - 10,000,000 Class A Limited Voting Units

Price: \$10.00 Per Class A Unit

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Cantor Fitzgerald Canada Corporation  
National Bank Financial Inc.  
Dundee Securities Ltd.

**Promoter(s):**

Dundee Corporation

**Project #2317962**

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**Issuer Name:**

Fidelity 20/80 Fund  
Fidelity Global Equity Balanced Fund  
Fidelity Global Fixed Income Fund  
Fidelity Global Small/Mid Cap Equity Class  
Fidelity Global Small/Mid Cap Equity Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 9, 2015

NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

Series A, B, F, O, T5, T8, S5, S8, F5, F8 Units and

Series A, B, F, T5, T8, S5, S8, F5 and F8 Shares

**Underwriter(s) or Distributor(s):**

Fidelity Investments Canada ULC

**Promoter(s):**

FIDELITY INVESTMENTS CANADA ULC

**Project #2318045**

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**Issuer Name:**

Glacier Credit Card Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 12, 2015  
NP 11-202 Receipt dated March 12, 2015

**Offering Price and Description:**

Up to \$1,500,000,000 Credit Card Asset-Backed Notes

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Desjardins Securities Inc.  
HSBC Securities (Canada) Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.

**Promoter(s):**

Canadian Tire Bank

**Project #2318948**

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**Issuer Name:**

Guardian Fundamental Global Equity Fund  
Guardian Managed Income & Growth Portfolio  
Guardian Managed Income Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 10, 2015  
NP 11-202 Receipt dated March 13, 2015

**Offering Price and Description:**

Series C, W and I Units

**Underwriter(s) or Distributor(s):**

Worldsource Financial Management Inc.  
Worldsource Securities Inc.  
Guardian Capital LP  
Worldsource Financial Management Inc.

**Promoter(s):**

Guardian Capital LP

**Project #2319003**

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**Issuer Name:**

HSBC Global Corporate Bond Fund  
HSBC Global Equity Volatility Focused Fund  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Simplified Prospectuses dated March 11, 2015  
NP 11-202 Receipt dated March 12, 2015

**Offering Price and Description:**

Investor Series, Advisor Series, Premium Series, Manager Series and Institutional Series Units

**Underwriter(s) or Distributor(s):**

HSBC Investment Funds (Canada) Inc.  
HSBC Investment Funds (Canada) Inc.

**Promoter(s):**

HSBC Global Asset Management (Canada) Limited

**Project #2319271**

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**Issuer Name:**

Loblaw Companies Limited  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 10, 2015  
NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

\$1,500,000,000.00 - Debentures (Unsecured) and Second Preferred Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2318126**

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**Issuer Name:**

NioCorp Developments Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 13, 2015  
NP 11-202 Receipt dated March 13, 2015

**Offering Price and Description:**

\$2,185,500.00 - 2,914,000 Common Shares and 2,914,000 Warrants Issuable on Exercise of 2,914,000 Special Warrants

Price: \$0.75 per Special Warrant

**Underwriter(s) or Distributor(s):**

Mackie Research Capital Corporation

**Promoter(s):**

-

**Project #2319653**

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**Issuer Name:**

Pembina Pipeline Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 11, 2015  
NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

\$5,000,000,000.00 - Common Shares, Preferred Shares, Debt Shares, Warrants, Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2318645**

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**Issuer Name:**

Purpose Best Ideas Fund  
Purpose Core Dividend Fund  
Purpose Tactical Hedged Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 10, 2015  
NP 11-202 Receipt dated March 13, 2015

**Offering Price and Description:**

Series XUA Shares, Series XUF Shares, Series XA non-currency hedged Shares, Series XUA non-currency hedged Shares, Series XUF non-currency hedged Shares, Series I non-currency hedged Shares and Series XF non-currency hedged Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Purpose Investments Inc.  
Project #2318925

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**Issuer Name:**

RBC Quant Canadian Equity Leaders ETF  
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF  
RBC Quant EAFE Equity Leaders ETF  
RBC Quant Emerging Markets Equity Leaders ETF  
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF  
RBC Quant U.S. Equity Leaders ETF  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 13, 2015  
NP 11-202 Receipt dated March 13, 2015

**Offering Price and Description:**

CAD and USD Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

RBC GLOBAL ASSET MANAGEMENT INC.  
Project #2319440

**Issuer Name:**

Secure Energy Services Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 10, 2015  
NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

\$180,000,155.00 - 12,286,700 Common Shares  
Price: \$14.65 per Offered Share

**Underwriter(s) or Distributor(s):**

Raymond James Ltd.  
FirstEnergy Capital Corp.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
TD Securities Inc.  
CIBC World Markets Inc.  
Peters & Co. Limited  
Scotia Capital Inc.  
Canaccord Genuity Corp.  
Paradigm Capital Inc.  
AltaCorp Capital Inc.  
Mackie Research Capital Corporation

**Promoter(s):**

-

Project #2316626

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**Issuer Name:**

Slate Retail REIT  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 12, 2015  
NP 11-202 Receipt dated March 12, 2015

**Offering Price and Description:**

U.S. \$750,000,000  
Units

Debt Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #2318972

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**Issuer Name:**

Sun Life Financial Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 12, 2015  
NP 11-202 Receipt dated March 12, 2015

**Offering Price and Description:**

\$5,000,000,000.00 - Debt Securities, Class A Securities,  
Class B Securities, Common Shares, Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #2319035

**Issuer Name:**

CI G5|20 2040 Q1 Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated February 27, 2015 to the Annual  
Information Form dated December 19, 2014  
NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

Class O units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CI Investments Inc.

Project #2282286

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**Issuer Name:**

CI G5|20i 2035 Q1 Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated February 27, 2015 to the Annual  
Information Form dated December 19, 2014  
NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

Class O units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CI Investments Inc.

Project #2282284

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**Issuer Name:**

Frontiers Canadian Fixed Income Pool  
Frontiers Canadian Equity Pool  
Frontiers Global Bond Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated February 24, 2015 to the Simplified  
Prospectuses and Annual Information Form dated  
December 15, 2014  
NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

Class A, C, I, and O units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CIBC Asset Management Inc.

Project #2268216

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**Issuer Name:**

iShares J.P. Morgan USD Emerging Markets Bond Index  
ETF (CAD-Hedged)

Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated March 10, 2015 to the Long Form  
Prospectus dated March 24, 2014  
NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

BlackRock Asset Management Canada Limited

**Promoter(s):**

-

Project #2162388

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**Issuer Name:**

Jov Leon Frazer Bond Fund (Series A, F, I and O)  
Jov Leon Frazer Dividend Fund (Series A, F, I and O)  
Jov Leon Frazer Preferred Equity Fund (Series A, F, I, O  
and T)  
Jov Hahn Conservative ETF Portfolio (Series A, F, I, O and  
T)  
Jov Hahn Income & Growth ETF Portfolio (Series A, F, I, O  
and T)  
Jov Hahn Growth ETF Portfolio (Series A, F, I, O and T)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated February 11, 2015 to the Simplified  
Prospectuses and Annual Information Form dated June 9,  
2014

NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

Series A, F, I, O and T @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

JovFinancial Solutions Inc.

Project #2198590

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**Issuer Name:**

Manulife Strategic Investment Grade Global Bond Fund  
(Advisor Series securities, Series F securities, Series FT6 securities, Series I securities and Series T6 securities)

Manulife U.S. Dollar Strategic Income Fund  
(Advisor Series securities, Series F securities, Series FT6 securities, Series I securities and Series T6 securities)

Manulife U.S. Balanced Value Private Trust  
(Advisor Series securities, Series C securities, Series CT6 securities, Series F securities, Series FT6 securities, Series L securities, Series LT6 securities and Series T6 securities)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 13, 2015  
NP 11-202 Receipt dated March 16, 2015

**Offering Price and Description:**

ADVISOR SERIES, SERIES C, SERIES CT6, SERIES F, SERIES FT6, SERIES I, SERIES L, SERIES LT6 AND SERIES T6 SECURITIES

**Underwriter(s) or Distributor(s):**

MANULIFE ASSET MANAGEMENT INVESTMENTS INC.  
Manulife Asset Management Investments Inc.

**Promoter(s):**

Manulife Asset Management Limited

**Project #2298504**

---

**Issuer Name:**

Pizza Pizza Royalty Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 16, 2015  
NP 11-202 Receipt dated March 16, 2015

**Offering Price and Description:**

\$42,000,000.00

2,800,000 Common Shares

Price: \$15.00 per Offered Share

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.

**Promoter(s):**

-

**Project #2316239**

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**Issuer Name:**

Purpose Core Dividend Fund  
Purpose Tactical Hedged Equity Fund  
Purpose Monthly Income Fund  
Purpose Total Return Bond Fund  
Purpose Duration Hedged Real Estate Fund  
(Series I Shares)  
Purpose Best Ideas Fund  
(Series I Shares and Series I Non-Currency Hedged Shares)

Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated January 19, 2015 to the Simplified Prospectuses and Annual Information dated April 21, 2014  
NP 11-202 Receipt dated March 13, 2015

**Offering Price and Description:**

Series I Shares and Series I Non-Currency Hedged Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Purpose Investments Inc.

**Project #2174276**

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**Issuer Name:**

Silver Wheaton Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated March 9, 2015  
NP 11-202 Receipt dated March 10, 2015

**Offering Price and Description:**

US\$800,011,500.00 - 38,930,000 Common Shares at a price of US\$20.55 per Offered Share

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
TD Securities Inc.  
Merrill Lynch Canada Inc.  
National Bank Financial Inc.  
MacQuarie Capital Markets Canada Ltd.  
GMP Securities L.P.  
Canaccord Genuity Corp.  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.  
Morgan Stanley Canada Ltd.  
UBS Securities Canada Inc.  
Credit Suisse Securities (Canada), Inc.  
Salman Partners Inc.

**Promoter(s):**

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**Project #2314951**

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**Issuer Name:**

Slate Retail REIT  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 12, 2015  
NP 11-202 Receipt dated March 12, 2015

**Offering Price and Description:**

C\$50,050,000.00 -3,850,000 Units  
C\$13.00 Per Unit, U.S.\$10.47 Per Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
GMP Securities L.P.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Raymond James Ltd.  
Scotia Capital Inc.  
TD Securities Inc.

**Promoter(s):**

-

**Project #2312176**

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**Issuer Name:**

Tweed Marijuana Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 10, 2015  
NP 11-202 Receipt dated March 11, 2015

**Offering Price and Description:**

\$20,000,160.00 - 9,302,400 Common Shares, Price: \$2.15  
per Share

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.  
Dundee Securities Ltd.  
M Partners Inc.

**Promoter(s):**

Bruce Linton

**Project #2314495**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender (Consent to Suspension)	SRE Securities Canada Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer	March 11, 2015
Voluntary Surrender	Ackber Financial Corporation	Mutual Fund Dealer	March 12, 2015
Voluntary Surrender	Value Investment Planning Centre Inc.	Mutual Fund Dealer and Exempt Market Dealer	March 12, 2015
New Registration	Maplewest Capital Corporation	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	March 13, 2015
Firm Name Change	<b>FROM:</b> Mandeville Private Client Inc./Services Aux Clients Prives Mandeville Inc.  <b>TO:</b> Mandeville Private Client Inc./Gestion Privee Mandeville Inc.	Investment Fund Dealer	March 11, 2015
Firm Name Change	<b>FROM:</b> Mandeville Wealth Services Inc./Services de Gestion de Patrimoine Mandeville Inc.  <b>TO:</b> Mandeville Wealth Services Inc./Gestion De Patrimoine Mandeville Inc.	Mutual Fund Dealer, Exempt Market Dealer	March 11, 2015

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## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.1.1 SROs

#### 13.1.1 OSC Staff Notice of Commission Approval – Mutual Fund Dealers Association of Canada – Housekeeping Amendments to Rule 2.4.2 (Referral Arrangements)

##### OSC STAFF NOTICE OF COMMISSION APPROVAL

##### MUTUAL FUND DEALERS ASSOCIATION OF CANADA

##### HOUSEKEEPING AMENDMENTS TO RULE 2.4.2 (REFERRAL ARRANGEMENTS)

The Ontario Securities Commission approved proposed amendments to MFDA Rule 2.4.2. The amendments directly adopt referral arrangement requirements under NI 31-103 and are housekeeping in nature.

In addition, the British Columbia Securities Commission, the Alberta Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, and the Prince Edward Island Office of the Superintendent of Securities Office did not object to or approved the amendments.

A copy of the MFDA's notice for publication, a certified copy of the resolution adopted by the MFDA Board of Directors, and a blackline of the amendments can be found at <http://www.osc.gov.on.ca>.

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## Chapter 25

# Other Information

### 25.1 Consents

#### 25.1.1 Sunora Foods Inc. – s. 4(b) of Ont. Reg. 289/00 under the OBCA

#### Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the laws of the province of Alberta.

#### Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.

Securities Act, R.S.O. 1990, c. S.5, as am.

#### Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF  
THE REGULATION MADE UNDER  
THE BUSINESS CORPORATIONS ACT (ONTARIO),  
R.S.O. 1990, c. B-16, AS AMENDED  
(the "OBCA"), R.R.O. 1990, REGULATION 289/00  
(the "Regulation")**

**AND**

**IN THE MATTER OF  
SUNORA FOODS INC.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application (the "**Application**") of Sunora Foods Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting the consent from the Commission for the Applicant to continue in another jurisdiction (the "**Continuance**"), as required by clause 4(b) of the Regulation;

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the OBCA by articles of incorporation effective March 8, 2011.
2. The Applicant's registered office is located at 340 Albert Street, Suite #1400, Ottawa, Ontario, Canada K1R 0A5. The Applicant's head office is

located at 4616 Valiant Drive NW, Calgary, Alberta, Canada T3A 0X9.

3. The Applicant's authorized share capital consists of an unlimited number of common shares ("**Common Shares**") and an unlimited number of preferred shares ("**Preferred Shares**"), of which 42,254,332 Common Shares are issued and outstanding as of the date hereof. There are no Preferred Shares issued or outstanding. The Common Shares are listed for trading on the TSX Venture Exchange ("**Exchange**") under the trading symbol "SNF". None of the Applicant's securities are listed or posted for trading on any other stock exchange.
4. The general nature of the Applicant's business is that of a Calgary, Alberta based food oil entity trading and supplying specialty oils in Canada and internationally.
5. The Applicant has only one wholly owned subsidiary, Sunora Foods Ltd., a corporation existing under the *Business Corporations Act* (Alberta) R.S.A. 2000, c. B-9 (the "**ABCA**").
6. The Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue as a company under the ABCA.
7. Pursuant to clause 4(b) of the Regulation, where a corporation is an "offering corporation" under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission.
8. The Applicant is an "offering corporation" under the OBCA and is a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"). The Applicant is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario. The Applicant is not a reporting issuer in any other jurisdiction. The Applicant's principal regulator is Alberta. The Applicant intends to remain a reporting issuer under the Act in all jurisdictions in which it is currently a reporting issuer following the Continuance.
9. The Applicant is not in default of any of the provisions of the OBCA, the securities legislation of any jurisdiction in Canada or the regulations or rules made under the securities legislation of any jurisdiction in Canada.

## Other Information

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10. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the OBCA or the securities legislation of any jurisdiction in Canada. "Edward P. Kerwin"  
Ontario Securities Commission
11. The Applicant is not in default of any rules, regulations or policies of the Exchange.
12. The holders of Common Shares of the Applicant authorized the Continuance of the Applicant at a special meeting of shareholders (the "**Meeting**") held on December 11, 2014. The special resolution authorizing the Continuance was approved at the Meeting by 100% of the votes cast.
13. The management information circular of the Applicant dated November 12, 2014 (the "**Circular**") provided to all shareholders of the Applicant in connection with the Meeting included full disclosure of the reasons for, and the implications of, the proposed Continuance, including a summary of the material differences between the OBCA and the applicable provisions of the ABCA. The Circular was mailed on November 20, 2014 to shareholders of record on November 6, 2014 and was filed on the SEDAR website at [www.sedar.com](http://www.sedar.com) on November 17, 2014.
14. The Applicant's shareholders had the right to dissent with respect to the proposed Continuance pursuant to section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with the applicable law. None of the shareholders of the Applicant exercised dissent rights pursuant to section 185 of the OBCA.
15. Given that the Applicant's business activities and head office address are situated in Alberta, the Applicant considers it to be in its best interest to apply for the discontinuance from the Province of Ontario and to continue under the ABCA.
16. The material rights, duties and obligations of a corporation governed by the ABCA are substantially similar to those of a corporation governed by the OBCA.

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

**THE COMMISSION HEREBY CONSENTS** to the continuance of the Applicant as a company under the ABCA.

**DATED** at Toronto, Ontario this 6th day of March, 2015.

"Sarah B. Kavanagh"  
Ontario Securities Commission

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