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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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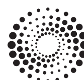

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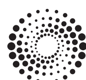

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Chapter 1

Notices / News Releases

1.4 Notices from the Office of the Secretary

1.4.1 Darren Spears and May Spears

IMMEDIATE RELEASE
March 18, 2015

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

TORONTO – The Commission issued an Order dated March 9, 2015 in the above named matter which provides that the December 18, 2014 Cease Trade Order, as varied, is terminated.

The hearing date previously set for April 15, 2015 is vacated.

A copy of the Order dated March 9, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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SECRETARY

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1.4.2 PowerWater Systems, Inc. et al.

FOR IMMEDIATE RELEASE
March 19, 2015

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

AND

IN THE MATTER OF
POWERWATER SYSTEMS, INC.,
DUNCAN CLEWORTH
and POWERWATER USA LTD.

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision dated March 17, 2015 and the Order dated March 17, 2015 are available at www.osc.gov.on.ca.

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1.4.3 Quadrexx Hedge Capital Management Ltd. et al.

FOR IMMEDIATE RELEASE
March 24, 2015

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

AND

IN THE MATTER OF
QUADREXX HEDGE CAPITAL MANAGEMENT LTD.,
QUADREXX SECURED ASSETS INC.,
MIKLOS NAGY and TONY SANFELICE

TORONTO – The Commission issued an Order in the above named matter which provides that the confidential pre-hearing conference scheduled for March 24, 2015 will proceed on April 2, 2015 at 10:00 a.m.

The pre-hearing conference will be held *in camera*.

A copy of the Order dated March 24, 2015 is available at www.osc.gov.on.ca.

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1.4.4 2241153 Ontario Inc. et al.

FOR IMMEDIATE RELEASE
March 24, 2015

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

AND

IN THE MATTER OF
2241153 ONTARIO INC., SETENTERPRICE, SARBJEET SINGH, DIPAK BANIK, STOYANKA GUERENSKA, SOPHIA NIKOLOV and EVGUENI TODOROV

TORONTO – The Commission issued an Order in the above named matter which provides that (i) this matter is adjourned to a hearing scheduled for June 24, 2015 at 9:30 a.m. or to such other date as may be agreed to by the parties and fixed by the Office of the Secretary; and (ii) at least five (5) days before the next hearing date Staff will provide the Respondents with their witness lists and summaries and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence.

A copy of the Order dated March 24, 2015 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Investors Capital Yield Class et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of mutual fund mergers – approval required because mergers do not meet the criteria for pre-approval – differences in investment objectives – some mergers will not occur on a tax-deferred basis – securityholders of terminating funds provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

NI 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6(1)(a), 5.6(1)(b), 5.7(1)(b).

March 12, 2015

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

AND

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

AND

**IN THE MATTER OF
THE MERGERS OF INVESTORS CAPITAL YIELD CLASS,
INVESTORS SHORT TERM CAPITAL YIELD CLASS
(the "Merging Funds")**

INTO

**INVESTORS CANADIAN BOND FUND,
IPROFILE FIXED INCOME POOL,
INVESTORS MORTGAGE AND SHORT TERM INCOME FUND
(the "Continuing Funds", and collectively with the Merging Funds, referred to as the "Funds")**

AND

**IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(referred to as "Investors Group" and collectively with the Funds referred to the "Filers")**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for approval under paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") of the Mergers of the Merging Funds into the applicable Continuing Funds.

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

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

(b) the Filers have provided notice that section 4.7(1) of Multi-Lateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the North West Territories; 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

Defined terms contained in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meaning if used in this decision, unless they are otherwise defined below:

- *iProfile* Fixed Income Pool, Investors Canadian Bond Fund and Investors Mortgage and Short Term Income Fund are herein collectively referred to as the "**Unit Trust Funds**";

- Investors Capital Yield Class and Investors Short Term Capital Yield Class are herein collectively referred to as the "**Corporate Class Funds**";

Representations

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

1. Investors Group is a corporation continued under the laws of Ontario. It is the trustee and manager of the Unit Trust Funds and is the manager of the Corporate Class Funds. Investors Group is registered as a Portfolio Manager and an Investment Fund Manager in Manitoba, Ontario and Quebec, and as an Investment Fund Manager in Newfoundland and Labrador. It is also registered as an Advisor under The Commodity Futures Act in Manitoba. The head office of Investors Group is in Winnipeg, Manitoba and, accordingly, Manitoba is the principal regulator. Investors Group is not in default of any of the requirements of securities legislation of any of the provinces and territories in Canada.

2. Investors Group Corporate Class Inc. (the "**Corporation**") is the issuer of the Corporate Class Funds.

3. All of the Funds are open-end mutual funds established or continued under a Master Declaration of Trust under the laws of Manitoba (in the case of the Unit Trust Funds), or governed by the *Canada Business Corporations Act* (the "**CBCA**") (in the case of the Corporate Class Funds).

4. All of the Funds are reporting issuers under the Legislation in each Jurisdiction and are not on the list of defaulting reporting issuers maintained under the Legislation in each Jurisdiction, and are not in default of any of the requirements of the securities Legislation of any of the provinces and territories of Canada. The securities of the Funds are qualified for distribution in each of the Jurisdictions pursuant to their own separate simplified prospectuses and annual information forms, each dated June 30, 2014, as may be amended (referred to collectively as the "**Prospectuses**").

5. Each Unit Trust Fund (except *iProfile* Fixed Income Pool) issues six series of units to retail purchasers. *iProfile* Fixed Income Pool issues two series of units to retail purchasers. Investors Short Term Capital Yield Class issues eight series of Shares to retail purchasers. Investors Capital Yield Class issues ten series of Shares to retail purchasers. A Fund Facts document as prescribed by Form 81-101F3 (the "**Fund Facts**") has been filed for all of the retail series of units and shares issued by the Unit Trust Funds and the Corporate Class Funds, respectively, together with their Prospectuses as described in paragraph number 4.

6. Investors Group proposes that each Merging Fund be merged into a corresponding Continuing Fund (each a "**Merger**" and collectively the "**Mergers**") as follows:

Merging Fund/Series		**Continuing Fund/Series**
Investors Capital Yield Class (Series A, B, T_{DSC}, T_{NL}, J_{DSC}, J_{NL}, T_{JDSC}, T_{JNL})	*to merge into*	Investors Canadian Bond Fund
Investors Capital Yield Class (Series I)	*to merge into*	*iProfile* Fixed Income Pool
Investors Short Term Capital Yield Class (Series A, B, T_{DSC}, T_{NL}, J_{DSC}, J_{NL}, T_{JDSC}, T_{JNL})	*to merge into*	Investors Mortgage & Short Term Income Fund

7. Meetings of the securityholders of the Merging Funds are being convened on or about April 20, 2015, to approve the Mergers. A notice of meeting, a management information circular and a proxy in connection with the meetings of securityholders of the Merging Funds (collectively, the "**Meeting Materials**"), will be mailed to securityholders of the Merging Funds beginning on or about March 10, 2015, and will be filed via SEDAR.

8. Investors Group has determined that the Mergers will not be a material change to the Continuing Funds because they will not entail a change in the business, operations or affairs of the Continuing Funds that would be considered important by a reasonable investor in determining whether to purchase or continue to hold securities of the Continuing Funds.

9. The tax implications of the Mergers, as well as the material differences between each Merging Fund (or its Series) and the corresponding Continuing Fund, will be described in the Meeting Materials so securityholders of the Merging Funds will be fully informed when considering whether to approve the Merger of their Fund at the Meeting of their Fund.

10. The Mergers must be conducted on a taxable basis rather than in a manner which would constitute a "qualifying exchange" or other tax-deferred transaction because there is no tax-deferred method available to directly merge a corporate class mutual fund (such as the Merging Funds) into a mutual fund trust (such as the Continuing Funds).

11. Amendments to the Prospectuses and Fund Facts of each retail series of each Merging Fund, and a material change report, have been (or will be) filed on SEDAR with respect to the Mergers as required by the Legislation of the Jurisdictions.

12. Subject to obtaining all necessary approvals, the Merging Funds will merge into the Continuing Funds on or about the close of business on May 15, 2015, and the Continuing Funds will continue as publicly offered open-end mutual funds, whereas the Merging Funds will be wound up as soon as reasonably possible.

13. No sales charges will be payable in connection with the acquisition by the Continuing Funds of the investment portfolios of the Merging Funds.

14. Securityholders of the Merging Funds will continue to have the right to redeem securities of the Merging Funds for cash at any time up to the close of business on the effective date of the Mergers.

15. Other than circumstances in which the securities regulatory authority of a Jurisdiction has expressly exempted the Funds, the Funds follow the standard investment restrictions and practices established under the Legislation of the Jurisdictions.

16. The net asset values of each series of the Funds are calculated on a daily basis on each day that Investors Group is open for business.

17. The fundamental investment objectives and/or strategies of the Continuing Funds and the corresponding Merging Funds may not be substantially the same.

18. Investors Group will pay for all costs associated with the Meetings, including legal, proxy solicitation, printing, and mailing expenses, as well as any brokerage transaction fees associated with any Merger related trades and regulatory fees.

19. The fees for the *iProfile* Fixed Income Pool are structured in a similar manner as the fees for Series I Shares of Investors Capital Yield Class: there is a Program Advisory Fee which is payable to the distributors of the Fund, an administration fee and a Class/Pool Advisory Fee. The maximum administration fee of *iProfile* Fixed Income Pool is lower by 0.05% than that of the Investors Capital Yield Class Series I Shares, although securityholders will have to pay an annual Trustee Fee on the Continuing Fund in the amount of 0.05%.

20. In the case of the Investors Capital Yield Class merger into Investors Canadian Bond Fund, securityholders of the Merging Fund will experience a reduction in the annual management fee, although securityholders will have to pay an offsetting annual Trustee Fee on the Continuing Fund.

21. In the case of the Investors Short Term Capital Yield Class merger into Investors Mortgage and Short Term Income Fund, the annual management fee and administration fee for the Continuing Fund is higher than the annual management fee and administration fee of the Merging Fund. In addition, the Continuing Fund also pays an annual trustee fee, as well as a mortgage administration and service fee on the value of the mortgages in the portfolio.

22. The difference in fee structure between these Funds will be fully described in the Management Information Circular, and the approval by securityholders of the Merging Fund will serve to signify the adoption by the securityholders of the Merging Fund of the fee structure of the Continuing Fund as well as the investment objective and strategies of its Continuing Fund, all as described in the Management Information Circular.

23. Investors Group will send the most recent Fund Facts of the appropriate series of the Continuing Funds to securityholders of the Merging Funds as permitted under paragraph 5.6(1)(f)(ii) of NI 81-102. In addition, securityholders of the Merging Funds will be sent a management information circular fully describing the Mergers, which prominently discloses that the most recent Prospectuses, audited annual and un-audited interim financial statements of the Continuing Funds (if available) can be obtained by accessing the same at the Investors Group website or the SEDAR website, or requesting the same from Investors Group by toll-free number, or by contacting their servicing advisor at Investors Group or an affiliate of Investors Group ("**Investors Group Consultant**"), all as described in the Management Information Circular.

24. Approval of the Mergers is required because the Mergers do not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102. More specifically, contrary to section 5.6(1)(a)(ii), a reasonable person may not consider the Continuing Funds as having substantially similar fundamental investment objectives and fee structures as the Merging Funds in all cases. In addition, the Mergers are not "qualifying exchanges" or tax-deferred transactions under the *Income Tax Act* (Canada).

25. Except as noted in the paragraph immediately preceding, the Mergers will otherwise comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

26. It is anticipated that securityholders of the Merging Funds will benefit from the Mergers as the Merging Funds can no longer use forward contracts to provide tax-advantaged exposure to fixed income investments which was the purpose of the original structure of the Merging Funds. It is anticipated that the larger asset size of the Continuing Funds may provide the potential for efficiencies in the management of the investment portfolios of the securityholders, which may include lower portfolio transaction costs and that the more comprehensive investment mandates of the Continuing Funds may result in enhanced diversification and greater portfolio management opportunities.

27. Investors Group has referred the Mergers to the Investors Group Independent Review Committee of the Funds (the "**IRC**") for its review. The IRC has been established as required by NI 81-107 – *Fund Governance* ("**NI 81-107**") and consists of individuals who are not in any way related to the Investors Group or its affiliates. The IRC reviews and makes recommendations on conflicts of interest matters for the purposes described in NI 81-107 including fund mergers (if necessary). On February 4, 2015, the IRC provided a positive recommendation that the Mergers achieve a fair and reasonable result for the Merging Funds and for the Continuing Funds.

Decision

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

The Decision of the Decision Makers under the Legislation is that the Exemption sought is granted, provided that:

1. (a) the management information circular sent to securityholders in connection with the Mergers provides sufficient information about the Mergers to permit securityholders to make an informed decision about the Mergers;

   (b) the management information circular sent to securityholders in connection with the Mergers prominently discloses that securityholders can obtain the most recent prospectuses, interim and annual financial statements (if applicable) of the Continuing Funds by accessing the SEDAR website at www.sedar.com. by accessing the Investors Group website, by calling Investors Group's toll-free telephone number, or by contacting an Investors Group Consultant;

   (c) the Continuing Funds and the Merging Funds with respect to the Mergers have an unqualified audit report in respect of their last completed financial period; and

   (d) the Meeting Materials sent to securityholders of the Merging Funds in respect of the Mergers include the applicable Fund Facts of the Continuing Funds.

"Christopher Besko"
Director, General Counsel
The Manitoba Securities Commission

2.1.2 Osisko Exploration James Bay Inc. – 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 19, 2015

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

Attention: Mr. Andrew N. Disipio

Dear Sir:

Re: Osisko Exploration James Bay Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Ontario and Québec (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 *Regulation 21-101 respecting 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's status as a reporting issuer is revoked.

"Martin Latulippe"
Director Continuous Disclosure
Autorité des marchés financiers

2.1.3 Premier Canadian Income Fund – 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 18, 2015

Premier Canadian Income Fund
C/O Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario M5X 1B8

Dear Sirs/Mesdames:

Re: Premier Canadian Income Fund (the Applicant) – Application for a decision under the securities legislation of Ontario, Nova Scotia, Alberta, Prince Edward Island, Manitoba, Quebec, New Brunswick, Saskatchewan, and Newfoundland and Labrador (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, "security holder" 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 security holders in each of the jurisdictions of Canada and fewer than 51 security holders 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 in 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.

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

2.1.4 SunTrust Robinson Humphrey, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions (NP 11-203) – Applicant is dealer that participates in offerings of foreign securities into Canada on a private placement basis to permitted clients – when a foreign offering document is provided to prospective Canadian investors certain items of disclosure must be included in the foreign offering document – Canadian specific disclosure items are commonly included in a foreign offering document by adding a "wrapper" to the foreign offering document which contains any required Canadian disclosure – Applicant granted relief from certain disclosure requirements in the context of offerings of securities made under a prospectus exemption to Canadian investors that are permitted clients – the securities must be offered primarily in a foreign jurisdiction – the securities must be issued by an issuer that qualifies as a "foreign issuer" as defined in the decision – Applicant granted relief from the requirement in National Instrument 33-105 Underwriting Conflicts (NI 33-105) to provide disclosure on conflicts of interest between dealers and issuers provided that disclosure required for U.S. registered offerings is provided instead – Applicant granted relief from the requirement in NI 33-105 to provide disclosure of a connected issuer relationship where the issuer is a foreign government on certain conditions – Applicant granted relief from the requirement in OSC Rule 45-501 Ontario Prospectus and Registration Exemptions to include in an offering memorandum disclosure of the statutory right of action for damages and right of rescission provided to purchasers under the legislation on certain conditions – Applicant provided with a separate permission from the Director pursuant to s. 38(3) of the Securities Act (Ontario) for the making of a listing representation in an offering memorandum – Applicant provided with a separate letter from the Director confirming that the requirement in Form 45-106F1 Report of Exempt Distribution in Ontario to notify purchasers of the collection of their personal information only applies where such purchasers are individuals.

Applicable Legislative Provisions

National Instrument 33-105 Underwriting Conflicts, s. 2.1.
OSC Rule 45-501 Ontario Prospectus and Registration Exemptions, s. 5.3.
National Instrument 45-106 Prospectus and Registration Exemptions – Form 45-106F1.
Securities Act, R.S.O. 1990, c. S.5, as am. s. 38(3).

March 17, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF
SUNTRUST ROBINSON HUMPHREY, INC.
(the Applicant)

DECISION

Background

Related and Connected Issuer Disclosure

The regulator in Ontario has received an application from the Applicant for a decision under the Legislation of the jurisdiction of the principal regulator for the following exemptions (the **Passport Exemptions**):

1. an exemption from the disclosure required by subsection 2.1(1) of National Instrument 33-105 *Underwriting Conflicts* (**NI 33-105**) (such disclosure, the **Related and Connected Issuer Disclosure**), as specified in Appendix C of NI 33-105 in an Exempt Offering Document (as defined herein) with respect to distributions of securities that meet all of the following criteria (a **Specified Exempt Distribution**):

(a) a distribution under an exemption from the prospectus requirement set out in section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**) (such exemption, the **Accredited Investor Prospectus Exemption**),

(b) of a security offered primarily in a "foreign jurisdiction", as defined in National Instrument 14-101 *Definitions*) (such jurisdiction, a **Foreign Jurisdiction**),

(c) by the Applicant named in Schedule A attached hereto as underwriter,

(d) to Canadian investors each of which is a "permitted client", as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) (such investor, a **Permitted Client**), and

(e) of a security issued by an issuer incorporated, formed or created under the laws of a Foreign Jurisdiction, that is not a reporting issuer in any jurisdiction of Canada, that has its head office or principal executive office outside of Canada (a **Foreign Issuer**); and

2. an exemption from the requirement to include the Related and Connected Issuer Disclosure in an Exempt Offering Document for a Specified Exempt Distribution of a security issued or guaranteed by the government of a Foreign Jurisdiction (a **Foreign Government**) and that meets all of the criteria described in (i) above other than (e).

Right of Action Disclosure

The securities regulatory authority or regulator in each of Ontario, New Brunswick, Nova Scotia and Saskatchewan (the **Coordinated Exemptive Relief Decision Makers**) has received an application (the **Coordinated Exemptive Relief**) from the Applicant for a decision under the securities legislation of those jurisdictions for an exemption from the requirement to disclose in an Exempt Offering Document with respect to a Specified Exempt Distribution, a description of the statutory right of action available to purchasers for a misrepresentation in the Exempt Offering Document (the **Right of Action Disclosure**).

Process for Exemptive Relief Applications in Multiple Jurisdictions

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

(a) the OSC is the principal regulator for this application;

(b) the Applicant has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Yukon, the Northwest Territories and Nunavut;

(c) the decision is the decision of the principal regulator; and

(d) the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

Interpretation

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

Legislation means, for the local jurisdiction, its securities legislation.

Exempt Offering Document means:

(a) in New Brunswick, Nova Scotia, Ontario and Saskatchewan, an offering memorandum as defined under the securities legislation of that jurisdiction, and

(b) in all other jurisdictions, a document including any amendments to the document, if the document

(i) describe the business and affairs of an issuer, and

(ii) has been prepared primarily for delivery to and review by a prospective purchaser to assist the prospective purchaser in making an investment decision in respect of securities being distributed pursuant to an exemption from the prospectus requirement.

Representations

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

1. The Applicant has or will file in each jurisdiction in which it will rely on the international dealer exemption under section 8.18 of NI 31-103 (the **International Dealer Exemption**), a Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service of Process* (**Form 31-103F2**). Attached hereto as Schedule A is a chart which sets out the jurisdictions in which the Applicant has already filed a Form 31-103F2 in order to qualify for the International Dealer Exemption.

2. The Applicant is registered as a broker-dealer with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, a self-regulatory organization.

3. The Applicant is actively involved in underwriting public offerings and private placements in the United States and elsewhere by U.S. and other foreign issuers.

4. The Applicant regularly considers extending offerings of Foreign Issuers or Foreign Governments to Canadian investors that are Permitted Clients under the Accredited Investor Prospectus Exemption.

5. If a prospectus or private placement memorandum (a **foreign offering document**) is provided to investors outside Canada, it is common practice where these offerings are extended to Canadian investors to provide the foreign offering document to Canadian investors. The foreign offering document when used in the jurisdiction constitutes an Exempt Offering Document.

6. If an Exempt Offering Document is provided to Canadian investors, it is required to include, depending on the jurisdiction, one or both of (i) the Related and Connected Issuer Disclosure; and (ii) Right of Action Disclosure.

7. The Related and Connected Issuer Disclosure prescribes summary disclosure to be included on the cover page of an Exempt Offering Document, together with a cross-reference, and more detailed disclosure to be included in the body of an Exempt Offering Document concerning the nature of any relationship that the issuer or any selling securityholder may have with an underwriter of the distribution or any affiliate of an underwriter, either through a significant security holding (related issuer) (**Related Issuer Disclosure**) or such that a reasonable prospective purchaser of the offered securities may be led to question if the underwriter or affiliate and the issuer or selling securityholder are independent of each other in respect of the distribution (connected issuer) (**Connected Issuer Disclosure**) and the effect the distribution may have on the underwriter or affiliate.

8. The Right of Action Disclosure provides a description of the statutory right of action for rescission or damages available to purchasers in the event of misrepresentation in the Exempt Offering Document.

9. In order to have the prescribed Canadian disclosure included in the foreign offering document, that foreign offering document may either be amended to include the prescribed Canadian disclosure, or, more commonly, a “wrapper” with the prescribed Canadian disclosure and other optional disclosure (a **Canadian wrapper**) is prepared by one or more underwriters making a Specified Exempt Distribution and attached to the face of the foreign offering document, so that the Canadian wrapper together with the foreign offering document form one document constituting a Canadian Exempt Offering Document for the purposes of that offering. The underwriters making the Exempt Distribution or their affiliates provide the Canadian Exempt Offering Document to purchasers in Canada.

10. An offering document for an offering registered under U.S. federal securities laws (a **U.S. Registered Offering**) by a U.S. domestic issuer or foreign private issuer must include disclosure, pursuant to section 229.508 of Regulation S-K under the U.S. Securities Act of 1933, as amended (the **1933 Act**) and FINRA Rule 5121 regarding underwriter conflicts of interest, that is substantially similar to that required by the Related and Connected Issuer Disclosure, except that cover page disclosure is not required.

11. An offering document for a U.S. Registered Offering must identify each underwriter having a material relationship with the issuer and state the nature of the relationship. Pursuant to FINRA Rule 5121, no underwriter that has a conflict of interest may participate in a U.S. Registered Offering unless the offering document includes prominent disclosure of the nature of the conflict of interest.

12. Certain unregistered offerings (such as bank debt offerings exempt from registration under subsection 3(a)2 of the 1933 Act, offerings by foreign governments and securities exchange offerings exempt from registration under subsection 3(a)9 of the 1933 Act) are also subject to FINRA Rule 5121.

13. Right of Action Disclosure is only required in the provinces of Saskatchewan, Nova Scotia, New Brunswick and Ontario. The securities legislation of Manitoba, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut provide for statutory rights of rescission or damages in the event of misrepresentation in an Exempt Offering Document, but do not mandate disclosure of the rights in the Exempt Offering Document. The securities legislation of Alberta, British Columbia and Quebec provides for statutory rights of rescission or damages in the event of misrepresentation in an Exempt Offering Document when the exemption in section 2.9 of NI 45-106 is relied upon.

14. The added complexity, delays and enhanced costs associated with ensuring compliance with Canadian Exempt Offering Document requirements are frequently factors that issuers and underwriters take into consideration when deciding whether to include Canadian investor participation in an offering.

15. Non-Canadian issuers and underwriters will often extend the offering to Canadian institutional investors, provided that the timing requirements and incremental compliance costs do not outweigh the benefits of doing so.

16. In many cases, an offering proceeds on such an accelerated timetable that even a one-day turn-around to prepare a Canadian wrapper can make it impracticable to include participation by Canadian investors.

Decision

Each of the principal regulator and the Coordinated Exemptive Relief Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

The decision of the principal regulator under the Legislation is that the Passport Exemptions are granted, provided that:

(a) the Applicant shall deliver to each prospective purchaser of securities under a Specified Exempt Distribution a notice, substantially in the form of Schedule B attached hereto, prior to the first reliance on this Decision for distributions of securities to such prospective purchaser and the purchaser provides in return a written acknowledgement and consent to reliance by the Applicant upon this Decision;

(b) for a Specified Exempt Distribution by a Foreign Issuer, any Exempt Offering Document provided by the Applicant complies with the disclosure requirements applicable to a U.S. Registered Offering with respect to disclosure of underwriter conflicts of interest between the Applicant and the issuer or selling securityholder, whether or not the offering is a U.S. Registered Offering;

(c) if Related Issuer Disclosure would have been required for a Specified Exempt Distribution of securities issued or guaranteed by a Foreign Government, any Exempt Offering Document provided by the Applicant:

(i) complies with the disclosure requirements applicable to a U.S. Registered Offering with respect to disclosure of underwriter conflicts of interest between the Applicant and the issuer or selling securityholder, whether or not the offering is a U.S. Registered Offering; or

(ii) contains the disclosure specified in Appendix C of NI 33-105 to be included in the body of a prospectus or other document;

(d) on a monthly basis (unless and until otherwise notified in writing by the Director of the Corporate Finance Branch of the principal regulator), the Applicant will deliver to the Director of the Corporate Finance Branch of the principal regulator (within ten days of the last day of the previous month), a list of the Specified Exempt Distributions it has made in reliance on this Decision, if any, stating the name of the issuer, the security distributed, the total value of the offering in Canadian dollars, the value in Canadian dollars of the securities distributed in Canada by the Applicant, the date of the Form 45-106F1 Report of Exempt Distribution (or Form 45-106F6 British Columbia Report of Exempt Distribution in British Columbia) filed with applicable regulators and the jurisdictions in which it was filed;

(e) each Form 45-106F1 filed with the principal regulator by an Applicant in connection with a Specified Exempt Distribution shall be filed using the electronic version of Form 45-106F1 available on the website of the principal regulator; and

(f) the Passport Exemptions shall terminate on the earlier of: (i) the date that is three years after the date of this Decision and (ii) the date that amendments to the Legislation become effective in each jurisdiction of Canada that provide for substantially the same relief as the Passport Exemptions.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

AND

The decision of the Coordinated Exemptive Relief Decision Makers under the Legislation is that the Coordinated Exemptive Relief is granted, provided that:

(a) the Applicant shall deliver to each prospective purchaser of securities under a Specified Exempt Distribution a notice, substantially in the form of Schedule B attached hereto, prior to the first reliance on this Decision for distributions of securities to such prospective purchaser and the purchaser provides in return a written acknowledgement and consent to reliance by the Applicant upon this Decision; and

(b) the Right of Action Relief shall terminate in a particular jurisdiction on the earlier of: (i) the date that is three years after the date of this Decision and (ii) the date that amendments to the Legislation become effective in the jurisdiction that provide for substantially the same relief as the Right of Action Relief.

"Edward P. Kerwin"
Ontario Securities Commission

"Deborah Leckman"
Ontario Securities Commission

SCHEDULE A

Jurisdictions in which the Applicant has Filed Form 31-103F2 in Order to Qualify for the International Dealer Exemption

Applicant	Registration Status	Exempt International Dealer	Exempt Market Dealer	Restricted Dealer	Investment Dealer
SunTrust					
SunTrust Robinson Humphrey, Inc.	Relying on the International Dealer Exemption	(AB, BC, QC, ON)			

SCHEDULE B

FOREIGN SECURITY PRIVATE PLACEMENTS

NOTICE TO CLIENTS

We may from time to time sell to you as principal or agent securities of Foreign Issuers or securities of or guaranteed by Foreign Governments sold into Canada on a prospectus exempt basis ("**Foreign Security Private Placements**"). On [●], 2015, the Canadian Securities Administrators issued a decision (the "**Decision**") exempting us from certain disclosure obligations applicable to such transactions on the basis that you are a permitted client as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Requirements*. The Decision is available at [●] and terminates on the earlier of three years after the effective date of the Decision and the date amendments to the Legislation come into effect in each jurisdiction in Canada that provide for substantially the same relief as the Decision. Capitalized terms used but not otherwise defined in this notice have the meanings ascribed to such terms in the Decision.

It is a requirement of the Decision that we notify you of the following two matters set forth in this notice.

1. Statutory Rights of Action

If, in connection with a Foreign Security Private Placement, we deliver to you an offering document that constitutes an offering memorandum or its equivalent under applicable securities laws in Canada, you may have, depending on the province or territory of Canada in which the trade was made to you, remedies for rescission or damages if the offering document and any amendment thereto contains a misrepresentation, provided that the remedies for rescission or damages are exercised by you within the time limit prescribed by the securities legislation of your province or territory. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal advisor.

2. Relationship between the Issuer or Selling Securityholder and the Underwriters

We, in respect of a Foreign Security Private Placement, may have an ownership, lending or other relationship with the issuer of such securities or a selling securityholder that may cause the issuer or selling securityholder to be a "related issuer" or "connected issuer" to us under Canadian securities law (as those terms are defined in National Instrument 33-105 *Underwriting Conflicts*). Under the terms of the Decision, the offering document for a private placement by a Foreign Issuer will disclose underwriter conflicts of interest in accordance with the requirements of U.S. federal securities laws and of the Financial Industry Regulatory Authority, a self-regulatory organization in the United States, applicable to an offering registered under the 1933 Act. The Decision grants an exemption from the requirement to include connected issuer disclosure or cover page related issuer disclosure in an offering document for a private placement of securities of or guaranteed by a Foreign Government.

Please note the following for your information.

3. Canadian Federal Income Tax Considerations

The offering document in respect of the Foreign Security Private Placement may not contain a discussion of the Canadian tax consequences of the purchase, holding or disposition of the securities offered. You are advised to consult your own tax advisor regarding the Canadian federal income tax considerations relevant to the purchase of securities offered in a Foreign Security Private Placement having regard to your particular circumstances. The Canadian federal income tax considerations relevant to you may differ from the income tax considerations described in the offering document and such differences may be material and adverse.

Dated [●], 2015

CLIENT ACKNOWLEDGEMENT, CONSENT AND REPRESENTATION

I, _____________________on behalf of _____________________, acknowledge receipt of the Notice to Clients dated ___________, 2015 and consent to Foreign Security Private Placements made to us by way of offering documents prepared and delivered in reliance on an exemption from the disclosure requirements described in the decision of the Canadian Securities Administrators dated [●], 2015, and represent that ___________________ is a "permitted client" as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Requirements* and an "accredited investor" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*.

Per: _________________________
Authorized Signatory

Date: _________________________

I have authority to bind the company.

Name: _____________________________

Title: _____________________________

2.2 Orders

2.2.1 PowerWater Systems, Inc. et al. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
POWERWATER SYSTEMS, INC.,
DUNCAN CLEWORTH
and POWERWATER USA LTD.

ORDER
(Subsections 127(1) and 127(10) of the Securities Act)

WHEREAS on May 14, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of PowerWater Systems, Inc., ("PSI"), Duncan Cleworth ("Cleworth") and PowerWater USA Ltd. ("PUL") (together, the "Respondents");

AND WHEREAS on May 14, 2014, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on June 26, 2014, the Commission heard an application by Staff to convert the matter to a written hearing (the "Application"), in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2014), 37 OSCB 4095, and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS the Respondents consented to the Application as indicated by their written consent, filed;

AND WHEREAS on June 26, 2014, the Commission granted Staff's application to proceed by way of written hearing, pursuant to Rule 11 of the *Rules of Procedure* and set down a schedule for the submission of materials, without the necessity for an attendance of the Respondents;

AND WHEREAS Staff filed written submissions, a brief of authorities, a hearing brief, supplementary written submissions, a supplementary brief of authorities, and affidavits of service;

AND WHEREAS the Respondents filed responding materials on November 28, 2014, and, among other matters, requested to continue this matter as an oral hearing and requested additional time to consider whether they wished to file additional affidavit evidence;

AND WHEREAS Staff consented to these requests;

AND WHEREAS on December 11, 2014, the Commission granted the Respondents' request to continue this matter as an oral hearing;

AND WHEREAS Staff filed the Affidavit of Lee Cran, sworn February 4, 2015, and the Supplemental Affidavit of Lee Cran, sworn February 5, 2015;

AND WHEREAS the oral hearing of this matter was held on February 9, 2015;

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

IT IS HEREBY ORDERED THAT:

a. pursuant to s. 127(1)2 of the Act, trading in any securities of PSI shall cease permanently;

b. pursuant to s. 127(1)(2) of the Act, trading in any securities by PSI shall cease permanently;

c. pursuant to s. 127(1)2 of the Act, trading in any securities by PUL shall cease permanently;

d. pursuant to s. 127(1)2 of the Act, trading in any securities by Cleworth shall cease for a period of 10 years from the date of this order, except Cleworth shall be permitted to trade securities through a registrant for the account of his Registered Retirement Savings Plan, as defined in the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided Cleworth first notifies the registrant of these conditions by delivering to the registrant a copy of this order;

e. pursuant to s. 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to Cleworth for a period of 10 years from the date of this order;

f. pursuant to s. 127(1)7 of the Act, Cleworth resign any positions that he holds as director or officer of an issuer;

g. pursuant to s. 127(1)8 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an issuer for a period of 10 years from the date of this order;

h. pursuant to s. 127(1)8.1 of the Act, Cleworth resign any positions he holds as director or officer of a registrant;

i. pursuant to s. 127(1)8.2 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of a registrant permanently;

j. pursuant to s. 127(1)8.3 of the Act, Cleworth resign any positions he holds as director or officer of an investment fund manager;

k. pursuant to s. 127(1)8.4 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an investment fund manager permanently; and

l. pursuant to s. 127(1)8.5 of the Act, Cleworth be prohibited from becoming or acting as a registrant or as an investment fund manager permanently.

DATED at Toronto this 17th day of March, 2015.

"Alan J. Lenczner, Q.C."

2.2.2 Tantalex Resources Corporation – s. 144

Headnote

Section 144 – Application by an issuer for a full revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
TANTALEX RESOURCES CORPORATION

ORDER
(Section 144 of the Act)

WHEREAS the securities of Tantalex Resources Corporation (the "**Applicant**") are subject to a temporary cease trade order dated July 11, 2014 issued by the Director of the Ontario Securities Commission (the "**Commission**") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order dated July 23, 2014 made by the Director, pursuant to paragraph 2 of subsection 127(1) of the Act (collectively, the "**Ontario Cease Trade Order**"), ordering that all trading in the securities of the Applicant, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Ontario Cease Trade Order;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act to revoke the Ontario Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the laws of British Columbia on September 28, 2009.

2. The Applicant's registered office is located in Vancouver, British Columbia. The Applicant's principal regulator is the British Columbia Securities Commission ("**BCSC**").

3. The Applicant is a mining exploration and development company engaged in the acquisition, exploration and development of Tantalum and Niobium properties in Africa.

4. The Applicant is a reporting issuer in the provinces of Ontario, British Columbia and Alberta (collectively, the "**Reporting Jurisdictions**"). The Applicant is not a reporting issuer in any other jurisdiction in Canada.

5. The Applicant's authorized capital consists of an unlimited number of common shares (the "**Common Shares**"). As at the date hereof, there were 39,828,443 Common Shares issued and outstanding.

6. Other than (i) outstanding incentive stock options exercisable for an aggregate of 2,405,198 Common Shares; (ii) outstanding warrants to purchase an aggregate of 9,848,963 Common Shares; (iii) outstanding convertible debentures convertible into an aggregate of 4,500,000 Common Shares; and (iv) 2,140,341 Common Shares pursuant to contractual arrangements, no Common Shares are reserved for issuance pursuant to outstanding convertible securities.

7. Other than the Common Shares, the Applicant has no securities (including debt securities) issued and outstanding.

8. The Ontario Cease Trade Order was issued against the Applicant for failure to file its audited annual financial statements, as well as the corresponding management's discussion and analysis ("**MD&A**") and certifications of annual filings as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") for the fiscal year ended February 28, 2014 (collectively, the "**Annual Filings**").

9. The Applicant is also subject to (i) a cease trade order dated July 8, 2014 (the "**BC Cease Trade Order**") issued by the BCSC as a result of its failure to file its audited annual financial statements and the corresponding MD&A for the fiscal year ended February 28, 2014, and (ii) a cease trade order dated October 7, 2014 (the "**Alberta Cease Trade Order**") issued by the Alberta Securities Commission (the "**ASC**") for failure to file the Annual Filings and its interim financial statements, the related MD&A and certifications of interim filings as required by NI 52-109 for the period ended May 31, 2014. The Applicant has concurrently applied to the BCSC and the ASC for revocation of the BC Cease Trade Order and the Alberta Cease Trade Order.

10. Since the issuance of the Ontario Cease Trade Order, the Applicant has filed the following continuous disclosure documents with the Reporting Jurisdictions on March 16, 2015:

    (i) Form 13-502F1 – *Class 1 Reporting Issuer – Participation Fee* for the year ended February 28, 2014;

    (ii) the Annual Filings;

    (iii) the unaudited interim financial statements, MD&A and NI 52-109 certificates of the Applicant for the period ended May 31, 2014;

    (iv) the unaudited interim financial statements, MD&A and NI 52-109 certificates of the Applicant for the period ended August 31, 2014; and

    (v) the unaudited interim financial statements, MD&A and NI 52-109 certificates of the Applicant for the period ended November 30, 2014.

11. The Applicant's Common Shares are listed for trading on the Canadian Securities Exchange under the symbol "TTX" but trading in such securities was halted because of the Ontario Cease Trade Order and the BC Cease Trade Order. The Applicant's securities are not listed or quoted on any other exchange or market in Canada or elsewhere, other than the Frankfurt Stock Exchange under the symbol "1T0".

12. As of the date hereof, the Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid.

13. The Applicant is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions, except for the existence of the Ontario Cease Trade Order, the BC Cease Trade Order and the Alberta Cease Trade Order (collectively, the "**Cease Trade Orders**").

14. Since the issuance of the Cease Trade Orders, there have been no material changes in the business, operations or affairs of the Applicant which have not been disclosed by the Applicant via news release and/or material change report and filed on SEDAR.

15. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed in the Reporting Jurisdictions and is up-to-date with all of its continuous disclosure obligations.

16. Other than the Cease Trade Orders, the Applicant has not previously been subject to a cease trade order issued by any securities regulatory authority.

17. The Applicant is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

18. The Applicant intends to hold an annual meeting of shareholders within 90 days of the revocation of the Cease Trade Orders and will prepare a management information circular which will be mailed to shareholders and filed on SEDAR in accordance with Form 51-102F5.

19. The Applicant's SEDAR issuer profile and SEDI issuer profile supplement are current and accurate.

20. Upon the revocation of the Cease Trade Orders, the Applicant will issue a news release and concurrently file a material change report on SEDAR announcing the revocation of the Cease Trade Orders.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

IT IS ORDERED pursuant to section 144 of the Act that the Ontario Cease Trade Order is revoked.

DATED at Toronto this 18th day of March, 2015.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.2.3 Quadrexx Hedge Capital Management Ltd. et al.

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

AND

IN THE MATTER OF
QUADREXX HEDGE CAPITAL MANAGEMENT LTD.,
QUADREXX SECURED ASSETS INC.,
MIKLOS NAGY and TONY SANFELICE

ORDER

WHEREAS on January 31, 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") accompanied by a Statement of Allegations dated January 30, 2014 with respect to Quadrexx Hedge Capital Management Ltd. ("QHCM"), Quadrexx Secured Assets Inc. ("QSA"), Miklos Nagy ("Nagy") and Tony Sanfelice ("Sanfelice") (collectively, the "Respondents");

AND WHEREAS on February 20, 2014, the Commission ordered the hearing be adjourned to April 17, 2014 at 9:30 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;

AND WHEREAS on April 17, 2014, Staff, counsel for QHCM, QSA and Nagy and counsel for Sanfelice attended before the Commission;

AND WHEREAS on April 17, 2014, the Commission ordered that the hearing be adjourned to a confidential pre-hearing conference to be held on September 5, 2014 at 10:00 a.m;

AND WHEREAS on August 20, 2014, Nagy's counsel advised the Commission that Nagy was no longer available to attend the pre-hearing conference scheduled for September 5, 2014 as he would be out of the country until September 19, 2014 because of the ailing health of a family member living abroad and that Nagy's counsel was not available thereafter until the week of October 13, 2014;

AND WHEREAS on August 20, 2014, on the consent of the Respondents and Staff, the Commission ordered that the confidential pre-hearing conference scheduled for September 5, 2014 be adjourned to October 15, 2014 at 9:00 a.m;

AND WHEREAS on October 15, 2014, the parties attended a confidential pre-hearing conference in this matter;

AND WHEREAS on October 15, 2014, the Commission ordered that the hearing on the merits in this matter shall commence on April 20, 2015 at 10:00 a.m. and shall continue on April 22, 23, 24, 27, 28, 29, 30 and May

1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015 commencing at 10:00 a.m. on each day;

AND WHEREAS on October 15, 2014, the Commission ordered this matter be adjourned to a further confidential pre-hearing conference to be held on February 26, 2015 at 10:00 a.m.;

AND WHEREAS on December 16, 2014, the Commission ordered that Sean Zaboroski, counsel for QHCM, QSA and Nagy, be granted leave to withdraw as representative for the respondents, QHCM, QSA and Nagy;

AND WHEREAS on February 17, 2015, Nagy requested that that the confidential pre-hearing conference scheduled for February 26, 2015 be rescheduled for personal reasons;

AND WHEREAS on February 24, 2015, the Commission ordered that the confidential pre-hearing conference scheduled for February 26, 2015 be rescheduled to March 24, 2015 at 4:00 p.m.;

AND WHEREAS on March 18, 2015, counsel for Nagy retained through the Litigation Assistance Program advised that he was not able to attend the confidential pre-hearing conference scheduled for March 24, 2015 at 4:00 p.m.;

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

IT IS ORDERED that the confidential pre-hearing conference scheduled for March 24, 2015 will proceed on April 2, 2015 at 10:00 a.m.

DATED at Toronto this 24th day of March, 2015

"Christopher Portner"

2.2.4 2241153 Ontario Inc. et al. – s. 127

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

AND

IN THE MATTER OF
2241153 ONTARIO INC., SETENTERPRICE, SARBJEET SINGH, DIPAK BANIK, STOYANKA GUERENSKA, SOPHIA NIKOLOV
and EVGUENI TODOROV

ORDER
(Section 127)

WHEREAS on February 10, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 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 February 9, 2015, to consider whether it is in the public interest to make certain orders against 2241153 Ontario Inc. ("2241153"), Setenterprice, Sarbjeet Singh ("Singh"), Dipak Banik ("Banik"), Stoyanka Guerenska ("Guerenska"), Sophia Nikolov ("Nikolov") and Evgueni Todorov ("Todorov") (together, the "Respondents");

AND WHEREAS the Notice of Hearing set a hearing in this matter for February 23, 2015 at 11:00 a.m.;

AND WHEREAS on February 11, 2015 a settlement agreement entered into by Staff of the Commission ("Staff") and Singh and 2241153 was approved by the Commission;

AND WHEREAS on February 23, 2015 Staff attended a hearing in this matter and no one appeared on behalf of the Respondents;

AND WHEREAS on February 23, 2015, the Commission ordered that:

1. The matter was adjourned to a hearing scheduled for March 24, 2015 at 9:00 a.m.;

2. On or before March 24, 2015, Staff shall disclose to the Respondents all documents and things in its possession or control that are relevant to the allegations in this matter; and

3. Upon failure of any party to attend at the hearing scheduled for March 24, 2015 at 9:00 a.m., the hearing will proceed in the absence of that party and such party will not be entitled to any further notice of the proceedings.

AND WHEREAS on March 24, 2015, Staff and Todorov and Nikolov attended at a hearing in this matter and Banik and Guerenska did not appear, although properly served;

AND WHEREAS the Commission considered the submissions from Staff and the Respondents in attendance and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that this matter is adjourned to a hearing scheduled for June 24, 2015 at 9:30 a.m. or to such other date as may be agreed to by the parties and fixed by the Office of the Secretary;

IT IS FURTHER ORDERED that at least five (5) days before the next hearing date Staff will provide the Respondents with their witness lists and summaries and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence.

DATED at Toronto this 24th day of March, 2015.

"Alan J. Lenczner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 PowerWater Systems, Inc. et al. – ss. 127(1), 127(10)

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

AND

**IN THE MATTER OF
POWERWATER SYSTEMS, INC., DUNCAN CLEWORTH
and POWERWATER USA LTD.**

**REASONS AND DECISION
(Subsection(s) 127(1) and 127(10) of the Act)**

Hearing: February 9, 2015

Decision: March 17, 2015

Panel: Alan J. Lenczner, Q.C. – Commissioner and Chair of the Panel

Counsel: Keir D. Wilmut, Jennifer Lynch – For Staff of the Commission

Alistair M. Crawley, Michael L. Byers – For PowerWater Systems, Inc., Duncan Cleworth and PowerWater USA Ltd.

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REASONS AND DECISION

I. INTRODUCTION

[1] Ontario Securities Commission Staff ("**Staff**") seek an order – pursuant to s. 127(1) and s. 127(10)4 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "**Act**") - imposing sanctions on PowerWater Systems, Inc. ("**PSI**"), Duncan Cleworth ("**Cleworth**") and PowerWater USA Ltd ("**PUL**") (collectively, the "**Respondents**"), based on the Findings of Fact, Conclusions of Law and Order, dated October 21, 2013 (the "**CDB Order**"), of the Banking Commissioner of the Connecticut Department of Banking, State of Connecticut ("CDB"). The CDB is the securities market regulator for Connecticut.

[2] The CDB found that:

a. PSI and Cleworth engaged in the offering and selling of unregistered securities, and that PUL materially aided them in doing so.

b. Cleworth engaged in activities related to the purchase or sale of securities while unregistered to do so; and

c. the Respondents' conduct constituted a fraud.

II. ISSUES AND ANALYSIS

[3] The issues I must address are:

a. Does the CDB Order meet the requirements of s. 127(10)4?

b. Is the threshold for reciprocating the CDB Order met?

c. Having regard to the findings made by the CDB in the CDB Order, is it in the public interest to make an order under subsection 127(1) of the Act?

d. If so, what are the appropriate sanctions?

A. Requirements of Paragraph 4 of Subsection 127(10)

[4] Staff rely on s. 127(10)4, which provides:

> **127(10) Inter-jurisdictional enforcement –** Without limiting the generality of subsections (1) and (5), an order may be made under subsection (1) or (5) in respect of a person or company if any of the following circumstances exist:
>
> …
>
> 4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[5] I am satisfied that the CDB Order meets the requirements of s. 127(10)4.

B. Threshold for Reciprocating the CDB Order

[6] The threshold for determining whether it is in the public interest to reciprocate an order from another regulatory authority is a low threshold. Comity requires that there not be barriers to recognizing and reciprocating the orders of other regulatory authorities when the findings of the foreign jurisdiction qualify under subsection 127 (10) of the Act as a judgment that evokes the public interest (*Re New Futures Trading International Corp.* (2013), 36 OSCB 5713 ("***New Futures***"), at paras. 22, 27). As recognized by the Supreme Court of Canada, "there can be no disputing the indispensable nature of interjurisdictional co-operation among securities regulators today" (*McLean v. British Columbia (Securities Commission)*, [2013] 3 S.C.R. 895 at para. 51).

[7] However, the Commission should refuse to reciprocate an order from another jurisdiction where the respondent can demonstrate that:

e. there was no substantial connection between the respondent and the originating jurisdiction;

f. the order of the foreign regulatory authority was procured by fraud; or

g. there is a denial of natural justice in the foreign jurisdiction (*Beals v. Saldanha*, [2003] 3 SCR 416; *New Futures* at para. 27).

[8] The Respondents submit that the Commission should refuse to reciprocate the CDB Order because they were denied natural justice.

[9] I n order for the Commission to refuse to reciprocate an order on this basis, the Respondents must demonstrate that the procedure by which the order was reached was unfair. In Beals, supra, the Supreme Court of Canada held:

> Fair process is one that, in the system from which the judgment originates, reasonably guarantees basic procedural safeguards such as judicial independence and fair ethical rules governing the participants in the judicial system. This determination will need to be made for all foreign judgments. Obviously, it is simpler for domestic courts to assess the fairness afforded to a Canadian defendant in another province in Canda. In the case of judgments made by courts outside Canada, the review may be more difficult but is mandatory and the enforcing court must be satisfied that fair process was used in awarding the judgment. This assessment is easier when the foreign legal system is either similar to or familiar to Canadian courts.
>
> … If the foreign state's principles of justice, court procedures and judicial protections are not similar to ours, the domestic enforcing court will need to ensure that the minimum Canadian standards of fairness were applied. If fair process was not provided to the defendant, recognition and enforcement of the judgment may be denied.
>
> The defence of natural justice is restricted to the form of the foreign procedure, to due process, and does not relate to the merits of the case. The defence is limited to the procedure by which the foreign court arrived at its judgment. However, if that procedure, while valid there, is not in accordance with Canada's concept of natural justice, the foreign judgment will be rejected. The defendant carries the burden of proof and, in this case, failed to raise any reasonable apprehension of unfairness (*Beals*, *supra* at paras. 62-64).

[10] The Respondents submit that the procedure by which the CDB Order was reached was unfair because:

a. they were not provided with disclosure by the CDB prior to the hearing that led to the CDB Order;

b. their request for an adjournment of the hearing so they could obtain Connecticut counsel was refused; and

c. the allegations forming the basis for the penalties against the Respondents were deemed to be true and not proven.

[11] The Respondents also submit that the Commission should not reciprocate the CDB Order because the conduct that was the subject of that order, if it had occurred in Ontario, could not be the basis for sanctions against them due to the six year limitation period in s. 129.1 of the Act.

1. Disclosure

[12] The CDB commenced its proceeding against the Respondents with an Order to Cease and Desist, Notice of Intent to Fine and Notice of Right to Hearing, dated January 11, 2013 (the "**CDB Notice**"), which contained clear notice of the facts alleged against the Respondents, the provisions of the Connecticut Uniform Securities Act ("**Connecticut Act**") alleged to have been breached by the Respondents, and the sanctions against the Respondents sought by the CDB. The CDB Notice also imposed temporary bans on the Respondents.

[13] In response to the CDB Notice, the Respondents' counsel wrote to the CDB on January 30, 2013 and, among other things, requested full disclosure of the case against the Respondents.

[14] The Respondents submit that they were denied natural justice because they did not receive any disclosure of the allegations against them prior to the hearing before the CDB, held on June 25, 2013 (the "**CDB Hearing**"), other than what was contained in the CDB Notice.

[15] In proceedings before the Commission, Staff are required to disclose to the Respondents all documents that are relevant to the proceeding in accordance with the principles articulated in the Supreme Court of Canada's decision in *R v. Stinchcombe*, [1991] 3 S.C.R. 326. As stated by the Commission in *Re Biovail Corp.* (2008), 31 OSCB 7161 (at para. 32), "[t]he obligation to disclose is a matter of fundamental justice based on fairness to respondents to permit them to make full answer and defence to the allegations against them."

[16] However, the obligation to disclose is not one-sided. A respondent must diligently pursue disclosure, and if he or she does not, his or her lack of diligence will be taken into account in determining whether the non-disclosure affected the fairness of the proceeding. Lack of diligence will be a very significant factor where the materiality of the undisclosed information is very low (*R. v. Dixon*, [1998] 1 S.C.R. 244, at paras. 37-39; *Re Proprietary Industries Inc.*, 2005 ABASC 745, at para. 136).

[17] The Respondents did not diligently pursue disclosure. After their counsel's January 30th correspondence to the CDB, the Respondents did not in any of their further communications with CDB Staff make any other requests for disclosure prior to the CDB Hearing. Their request for disclosure was not raised again in subsequent correspondence between their counsel and the CDB, and was not raised in response to the CDB advising that their last request for an adjournment was denied.

[18] On the evidence before me, the significance of the undisclosed information was low. The exhibits to the CDB proceeding consist of information and documents that were in the possession of the Respondents, including correspondence from Cleworth to shareholders of PSI. The Respondents made no submissions regarding the significance of those documents, the transcripts of depositions of witnesses which are referred to in Cleworth's Affidavit, sworn November 28, 2014 (Exhibit 3), or the other documentation which Cleworth states in his Affidavit he believes the CDB has but has not disclosed.

[19] For these reasons, I find that the non-disclosure did not affect the fairness of the proceeding which led to the CDB Order.

2. Request for Adjournment Refused

[20] The hearing before the CDB was originally scheduled for March 5, 2013. It was rescheduled to April 9, 2013, and then to June 26, 2013 at the Respondents' request. These adjournments were at the Respondents' request so that they could retain Connecticut counsel.

[21] The second adjournment request was made on April 5, 2013, shortly before the scheduled hearing. In response to the second adjournment request, the CDB set a conference call for May 7, 2013, to schedule a new hearing date, and advised Respondents' counsel that the Respondents had until that conference call to retain new counsel.

[22] On the May 7th conference call, Respondents' counsel advised that the Respondents' were in the process of retaining Connecticut counsel, and a June 26th date was set for the hearing.

[23] On June 25, 2013, the day before the CDB Hearing, the Respondents requested that the hearing be adjourned for another 45 days so that the Respondents could retain Connecticut counsel, and because Cleworth needed to be in Madagascar on business that week and could not attend the hearing on June 26th. Mr. Cleworth testified that he did not, ultimately, travel to Madagascar that week and he could have attended the hearing, which leaves only the retention of counsel as the reason for the adjournment request.

[24] The Respondents last request for an adjournment was refused, which the Respondents submit constitutes a denial of natural justice.

[25] The decision to grant or refuse an adjournment request is discretionary. Whether a refusal to grant an adjournment constitutes a denial of natural justice depends on the circumstances of the case (*BP Canada Energy Company v. Alberta (Energy and Utilities Board)*, 2004 ABCA 75 at para. 26; *Law Society of Upper Canada v. Igbinosun* (2009), 96 O.R. (3d) 138 (C.A.) at paras. 37, 46-49).

[26] In *Re Ochnik*, [2007] O.J. No. 1730 (Div. Ct.), the Divisional Court affirmed the Commission's refusal to grant an adjournment to the respondent so that he may retain counsel, and stated that "[a] decision to grant or not grant an adjournment is best determined by the tribunal." The circumstances of that case are similar to those before the CDB. The Commission held that the respondent had been given a reasonable opportunity to retain counsel and refused the respondent's request for a further adjournment (*Re Ochnik* (2006), 29 OSCB 3929 at paras. 12-13, aff'd, [2007] O.J. No. 1730 (Div. Ct.).

[27] I find that the CDB's refusal of the Respondent's last adjournment request does not constitute a denial of natural justice. The Respondents were given two adjournments for a period of five months to retain counsel.

[28] I reject the Respondents' submission that the fact that both the CDB hearing officer and the lawyer prosecuting the matter were employed by the CDB affected whether the Respondents' adjournment request was granted. The Respondents adduced no evidence to support their submission that the lawyer prosecuting the case had any influence on the hearing officer's decision. To the contrary, the CDB hearing officer granted the Respondents' first two adjournment requests.

3. Allegations Deemed to Be True

[29] The CDB Notice advises that the temporary bans ordered in the notice will become permanent if the Respondents fail to attend the hearing, and that a maximum fine of $100,000 per violation may be imposed.

[30] Section 36a-1-31(b) of the Regulations of Connecticut State Agencies provides that allegations against a party may be deemed admitted when a party fails to appear at the hearing:

> When a party fails to appear at a scheduled hearing, the allegations against the party may be deemed admitted. Without further proceedings or notice to the party, the presiding officer shall submit to the commissioner a proposed final decision containing the relief sought in the notice, provided the presiding officer may, if deemed necessary, receive evidence from the department, as part of the record, concerning the appropriateness of the amount of any civil penalty, fine or restitution sought in the notice. The

commissioner shall issue a final decision in accordance with section 4-180 of the Connecticut General Statutes and section 36a-1-52 of the Regulations of Connecticut State Agencies.

[31] The Respondents did not attend the hearing that led to the CDB Order. Nor did their counsel.

[32] Accordingly, the CDB Order was made on the basis that the allegations in the CDB Notice were admitted.

[33] The Respondents submit that they were denied natural justice because the allegations against them were deemed admitted and not proven.

[34] *Voudoris v. Appeal Tribunal of the Certified General Accountants' Assn. of Ontario*, 2014 ONSC 1865 (Div Ct.), which the Respondents rely on, does not support the Respondents' submission that reliance on deemed admissions constitutes a denial of fairness. The respondent in that case was not contesting the procedure which led to deemed admissions; he conceded that the structure of the procedure which led to the deemed admissions was procedurally fair (*Voudoris*, *supra* at para. 27). Instead, the Divisional Court was considering the tribunal's refusal to allow the respondent to withdraw those deemed admissions and adduce contrary evidence. The Divisional Court found that the tribunal's refusal was unreasonable given, among other things, that the respondent did not appreciate the consequences of the procedure leading to the deemed admissions, and that the respondent made the request to withdraw the admissions promptly after retaining counsel and in advance of the hearing (*Voudoris*, *supra*, at paras. 41-46.)

[35] The Respondents' circumstances are closer to those of the defendants in Beals, supra. In that case, the Supreme Court of Canada held that the defendants were not denied natural justice in the process leading to the default judgment against them because they were advised of the allegations against them and were granted a fair opportunity to defend those allegations (*Beals*, *supra*, at paras. 68-70). The defendants chose not to defend. Similarly, the Respondents were aware of the allegations against them and were given an opportunity to defend those allegations. They chose not to attend the CDB hearing.

[36] The Respondents were aware of the implications of not attending the CDB hearing. When Respondents' counsel was advised that the Respondents' last adjournment request was refused, he simply asked for a copy of the issued default order against the Respondents. Cleworth testified that the Respondents did not take any steps in Connecticut to contest the CDB Order prior to Staff commencing this proceeding.

[37] I find that the CDB Order being made on the basis of, in part, deemed admissions does not constitute a denial of natural justice.

4. Limitation Period

[38] The Respondents submit that the Commission should not reciprocate the CDB Order because the conduct that was the subject of that order, if it had occurred in Ontario, could not be the basis for sanctions against them due to the six year limitation period in s. 129.1 of the Act.

[39] The Respondents submit that all of the conduct that was the subject of the CDB Order occurred in 2004/2005, more than six years before this proceeding was commenced.

[40] It is not clear that the Respondents' submission regarding their conduct is correct. The CDB found that the conduct occurred from 2004 to present. The communications to shareholders from Cleworth on which the CDB relied at the hearing were dated in 2009 and 2010.

[41] In any event, under s. 127(10), I do not need to determine when the underlying conduct took place. In *McLean*, *supra*, the Supreme Court of Canada held that the triggering event for a similar provision in the British Columbia *Securities Act*, R.S.B.C. 1996, c. 418, is the order and not the underlying conduct (*McLean*, *supra* at paras. 51-59).

5. Conclusion on Threshold

[42] I find that the threshold for reciprocally enforcing the CDB Order is met. I reject the Respondents' submission that, taken in totality, the issues they identified suggest I should decline to reciprocally enforce the order even though none of those issues constitutes a denial of natural justice.

C. Is it in the Public Interest to Make an Order under Subsection 127(1)?

[43] Having regard to the findings made by the CDB in the CDB Order, I must determine whether it is in the public interest to impose sanctions under subsection 127(1) of the Act (*Re Euston Capital Corp.* (2009), 32 OSCB 6313 at paras. 46, 57; *Re Elliott* (2009), 32 OSCB 6931 at paras. 24, 27). An important factor to consider is, if the facts had occurred in Ontario, whether

the Respondent's conduct would have constituted a breach of the Act and/or been considered to be contrary to the public interest (*New Futures*, *supra*, at para. 17).

[44] In deciding whether it is in the public interest to impose sanctions on the Respondents, I am guided by the underlying purposes of the Act, as set out in section 1.1:

a. to provide protection to investors from unfair, improper or fraudulent practices; and

b. to foster fair and efficient capital markets and confidence in capital markets.

[45] As held by the Supreme Court of Canada, the purpose of an order under section 127 of the Act is protective and prospective. It is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The court stated that "the role of the OSC under s. 127 is to protect the public interest by removing from capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets" (*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132, at para. 43; *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600).

[46] The CDB made the following findings of fact which are relevant to my consideration of whether it is in the public interest to impose sanctions on the Respondents:

1. PSI is an Ontario, Canada corporation whose principal place of business last known to the Commissioner is 159 Main Street, Markham, Ontario, Canada L3P.

2. Cleworth is an individual whose address last know[n] to the Commissioner is 8 Savanah Crescent, Markham, Ontario, Canada L3P 3C&. From at least April 15, 2005, Cleworth has been the President of PUL in the Chairman of PSI.

3. PUL is a Connecticut corporation whose principal place of business last known to the Commissioner is One Pond Place, Avon, Connecticut, 06001.

4. From at least September 17, 2004 to the present, PSI has been an issuer of securities in the form of common stock ("**PSI Securities**").

5. From September 17, 2004 to the present, Cleworth, both individually and jointly with PUL, offered and sold PSI Securities on behalf of PSI in or from Connecticut to investors ("**Investors**"). PUL materially aided Cleworth and PSI in the offer and sale of PSI Securities to the Investors.

6. The Investors, at Cleworth's direction, paid PUL for the PSI Securities, which payments were deposited into a bank account that is controlled by Cleworth. Cleworth withdrew some of the funds provided by the investors from the PUL bank account and used money for his personal use.

7. The PSI Securities offered and sold by Respondents were never registered in Connecticut… nor were they exempt from registration… nor were they the subject of a filed exemption claim or claim of covered security status.

8. At no time were PUL or Cleworth registered in any capacity under the [Connecticut Act].

9. Cleworth has never been registered in Connecticut as an agent of issuer of PSI.

10. In connection with the offer and sale of the PSI Securities, Respondents failed to disclose, inter alia, any financial information about Respondents, the registration status of the securities, that Cleworth was acting as an agent of issuer of PSI in Connecticut absent registration, the estimated cash proceeds of the PSI stock offering, any specific risk factors related to the investment, or that Cleworth would use some of the Investors' money for his personal use. Each of these omitted items was material to the Investors and prospective PSI investors (citations omitted).

[47] The CDB made the following conclusions of law with respect to the Respondents' conduct:

2. Respondents offered and sold unregistered securities in or from Connecticut, in violation of … the [Connecticut Act] …

3. PUL materially aided PSI and Cleworth's violation of … the [Connecticut Act] …

4. The conduct of Respondents constitutes, in connection with the offer, sale or purchase of any security, directly or indirectly employing a device, scheme or artifice to defraud, making untrue statement of a material fact or omitting to state a material fact necessary in order to make statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates as a fraud or deceit upon any person, in violation of … the [Connecticut Act] …

5. Cleworth received compensation directly or indirectly related to the purchase or sale of securities and transacted business as an agent of issuer in the state absent registration, in violation of… the [Connecticut Act] …

6. PSI employed Cleworth as an unregistered agent of issuer in the state, in violation of… the [Connecticut Act] …

[48] The CDB imposed the following sanctions on the Respondents:

a. permanently banning the Respondents from directly or indirectly violating the provisions of the Connecticut Act, including those provisions the CDB found were violated by the Respondents;

b. requiring PSI to pay a fine of $225,000;

c. requiring Cleworth to pay a fine of $225,000; and

d. requiring PUL to pay a fine of $200,000

[49] I am satisfied that, if the same events had occurred in Ontario, they would have constituted breaches of the Act contrary to the public interest. The findings of the CDB warrant apprehension that the future conduct of the Respondents will be detrimental to the integrity of Ontario's capital markets. I find that it is in the public interest to impose sanctions on the Respondents.

D. Appropriate Sanctions

[50] In determining the appropriate sanctions to order, I must ensure that the sanctions are proportionate to both the particular circumstances of the Respondents' conduct and the range of sanctions ordered in similar cases (*Re M.C.J.C. Holdings*, (2002), 25 OSCB 1133 at 1134).

[51] Staff submit the Commission should order that trading in PSI and PUL cease permanently and Cleworth be permanently banned from acting as an officer or director and from participating in Ontario's capital markets based on the CDB's findings that:

a. PSI and Cleworth engaged in the offering and selling of unregistered securities, and PUL materially aided them in doing so;

b. Cleworth engaged in activities related to the sale of securities while unregistered to do so; and

c. the Respondents' conduct constituted a fraud.

[52] Staff submit that the conduct for which the Respondents were sanctioned by the CDB, would, if it occurred in Ontario, be contrary to the public interest and constitute contraventions of s. 25 (unregistered trading in securities), s. 53 (unregistered distribution of securities) and s. 126.1 (fraud) of the Act.

[53] Staff relies on *New Futures*, *supra*, in which the Commission imposed sanctions similar to those sought by Staff based on the final judgments of the United States District Court of New Hampshire. In those final judgments, the court found that the respondents engaged in fraud based on deemed admissions and imposed bans similar to those imposed by the CDB. I note that the deemed admissions were of an established fraudulent scheme. The U.S. court accepted as true that the Respondents had raised at least $1.3 million from the sale of securities to investors: $937,000 was funnelled into a Ponzi scheme and used to make payments to prior investors in the scheme; and $359,000 was used by the respondent to support his lifestyle and to operate a horse breeding ranch in Ontario.

[54] The Respondents submit that I should not impose the permanent bans sought by Staff, because:

a. the sanctions sought by Staff are broader than the sanctions imposed by the CDB, which prohibit the Respondents from further violations of the Connecticut Act, including unregistered trading and fraud

b. there is insufficient evidence before me of the fraud to warrant the imposition of permanent bans;

c. PSI and PUL were, in fact, unsuccessful ventures in which Cleworth himself lost substantial amounts of money; and

d. the sanctions sought by Staff would seriously impinge on Cleworth's ability to earn a living.

[55] In imposing sanctions pursuant to ss. 127(1) and 127(10), the Commission must consider whether it has sufficient evidence or an admission of a respondent's wrongdoing to support the sanctions ordered (*Lines v. British Columbia (Securities Commission)*, 2012 BCCA 316 at para. 33).

[56] The CDB's findings of fact relating to the CDB's conclusion that the Respondents' conduct constituted fraud are as follows:

> 6. The Investors, at Cleworth's direction, paid PUL for the PSI Securities, which payments were deposited into a bank account that is controlled by Cleworth. Cleworth withdrew some of the funds provided by the investors from the PUL bank account and used money for his personal use.
>
> 10. In connection with the offer and sale of the PSI Securities, Respondents failed to disclose … that Cleworth would use some of the Investors' money for his personal use [citations omitted].

[57] In support of its findings of fact, the CDB cited the admitted facts and portions of the testimony of Salvatore Cannata, principal financial examiner with the Securities Division. Mr. Cannata testified that of the approximately $1 million raised from investors, $420,750 was paid to two corporations controlled by Cleworth: $285,000 was paid to PSI and $135,750 was paid to 1472500 Ontario Inc. Mr. Cannata did not know how these funds were used after being paid to those corporations. Mr. Cannata testified that Cleworth had a debit card associated with the PUL bank account, and that the remaining approximately $600,000 deposited into PUL's bank account was used up in a number of smaller charges. Mr. Cannata testified that there were a variety of charges to the PUL account that did not appear to be business in nature, including charges for hotels in Canada, restaurants and trips to Florida (CDB Hearing Transcript, Exhibit 4, Tab 3, p. 23:24-29:20.)

[58] The Respondents submit that the CDB appears to have assumed that the funds were used by Cleworth for his personal use – based in part on the admitted facts – and that there is insufficient evidence that the funds were, in fact, used by Cleworth for his personal use. The Respondents note that promotional materials marked as Division Exhibit 3 in the CDB hearing (Exhibit 4, Tab 4J), demonstrate that PSI was a real business which distributed product across Canada and was marketing in the United States. Respondents submit that it does not inexorably follow that the expenses noted by the CDB investigator did not have a business purpose.

[59] With respect to the business of PSI and PUL, Cleworth states in his Affidavit (Exhibit 3):

> 6. … I first became acquainted with the product "PowerWater", which is a distilled oxygenated water, in or about 2001. I started PSI in or around 2001, which is when I purchased the rights to the technology used to make PowerWater.
>
> 7. From in or around 2001 to 2005, PowerWater products were sold in a number of retail outlets across Canada, including Rabba, Fortino's, Pusateri's, Loblaws, and a number of independent stores.
>
> 8. After PowerWater enjoyed some initial success in Canada, Theodore Munson – a friend of mine who lived in Connecticut – and I attempted to try and expand the product into the United States. We first started selling the product in the United States in 2003, but sales were slow, and there were administrative difficulties associated with running an American business through a Canadian corporation. As such, in or around 2004, we caused PUL to be incorporated in Connecticut. Certain Connecticut residents, who I understood to be friends and family of Mr. Munson, made investments in PSI.
>
> 9. Unfortunately, for a variety of reasons, the expansion of PowerWater into the United States was not successful. PowerWater has not been actively sold in either the United States or Canada since in or about the end of 2006. Since this time, I've been experiencing financial troubles, as the failure of PowerWater has caused me to suffer a significant loss.
>
> …
>
> 34. I believe that, if the Commission orders the sanctions sought by Staff in this proceeding, I will face significant challenges earning a living and face permanent reputational damage. I note, in particular, that Staff is seeking penalties and sanctions that would essentially permanently ban me from trading in securities

or being an officer or director of any company that issue securities. This would prevent me from contributing to my RRSPs or saving for my retirement.

[60] Cleworth was not cross-examined on these statements.

[61] Taking into account the evidence before the CDB and Cleworth's Affidavit evidence, I am not satisfied that it has been demonstrated, on a balance of probabilities, that Cleworth used the investors' funds for his personal benefit. The evidence is insufficient for me to determine that the finding of fraud made by the CDB should, in these circumstances, draw the usual sanction, in Ontario, of a permanent ban.

III. CONCLUSION

[62] For the reasons stated above, I find that it is in the public interest to impose the following sanctions, and will issue an order to that effect:

a. pursuant to s. 127(1)2 of the Act, trading in any securities of PSI shall cease permanently;

b. pursuant to s. 127(1)(2) of the Act, trading in any securities by PSI shall cease permanently;

c. pursuant to s. 127(1)2 of the Act, trading in any securities by PUL shall cease permanently;

d. pursuant to s. 127(1)2 of the Act, trading in any securities by Cleworth shall cease for a period of 10 years from the date of the order, except Cleworth shall be permitted to trade securities through a registrant for the account of his Registered Retirement Savings Plan, as defined in the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, provided that he is not engaging in or holding himself out as engaging in the business of trading in securities, and provided Cleworth first notifies the registrant of these conditions by delivering to the registrant a copy of this order;

e. pursuant to s. 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to Cleworth for a period of 10 years from the date of the order;

f. pursuant to s. 127(1)7 of the Act, Cleworth resign any positions that he holds as director or officer of an issuer;

g. pursuant to s. 127(1)8 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an issuer for a period of 10 years from the date of the order;

h. pursuant to s. 127(1)8.1 of the Act, Cleworth resign any positions he holds as director or officer of a registrant;

i. pursuant to s. 127(1)8.2 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of a registrant permanently;

j. pursuant to s. 127(1)8.3 of the Act, Cleworth resign any positions he holds as director or officer of an investment fund manager;

k. pursuant to s. 127(1)8.4 of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an investment fund manager permanently; and

l. pursuant to s. 127(1)8.5 of the Act, Cleworth be prohibited from becoming or acting as a registrant or as an investment fund manager permanently.

Dated at Toronto this 17th day of March, 2015

"Alan J. Lenczner, Q.C."

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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
Tantalex Resources Corporation	11-Jul-14	23-Jul-14	23-Jul-14	18-Mar-15
SunOil Ltd.	23-Mar-15	02-Apr-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
Northcore Resources Inc.	09-Mar-15	20-Mar-15	20-Mar-15		

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	20-Mar-15		

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Chapter 7

Insider Reporting

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).

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).

Chapter 8

Notice of Exempt Financings

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

Issuer Name:
Cara Operations Limited
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated March 18, 2015
NP 11-202 Receipt dated March 19, 2015
Offering Price and Description:
$200,000,000.00 - * Subordinate Voting Shares
Price: $* per Subordinate Voting Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Canaccord Genuity Corp
GMP Securities L.P.
Raymond James Ltd.
Cormark Securities Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2308034

Issuer Name:
Concordia Healthcare Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 23, 2015
NP 11-202 Receipt dated March 23, 2015
Offering Price and Description:
$320,001,200.00 - 3,764,720 Subscription Receipts each representing the right to receive one Common Share
Price: $85.00 per Subscription Receipt
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
GMP Securities L.P.
TD Securities Inc.
Promoter(s):
-
Project #2320554

Issuer Name:
Constellation Software Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 20, 2015
NP 11-202 Receipt dated March 23, 2015
Offering Price and Description:
C$* - Offering of Rights to Subscribe for Unsecured Subordinated Floating Rate Debentures, Series 1 Due March 31, 2040
Price: C$* per Debenture
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2322239

Issuer Name:
Life & Banc Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 20, 2015
NP 11-202 Receipt dated March 20, 2015
Offering Price and Description:
Maximum Offering: $ * - Up to * Preferred Shares and * Class A Shares
Prices: $ * per Preferred Share and $ * per Class A Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
GMP Securities L.P.
Raymond James Ltd.
Canaccord Geniuty Corp.
Desjardins Securities Inc.
Dundee Securities Ltd.
Haywood Securities Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
-
Project #2322050

Issuer Name:
Telesta Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated March 20, 2015
NP 11-202 Receipt dated March 20, 2015
Offering Price and Description:
$50,000,000
Debt Securities
Common Shares
Preferred Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2321908

Issuer Name:
Whitecap Resources Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 23, 2015
NP 11-202 Receipt dated March 23, 2015
Offering Price and Description:
$110,011,500 - 8,149,000 Subscription Receipts each representing the right to receive one Common Share
Price $13.50 per Subscription Receipt
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
GMP Securities L.P.
TD Securities Inc.
CIBC World Markets Inc.
Peters & Co. Limited
RBC Dominion Securities Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
Macquarie Capital Markets Canada Ltd.
BMO Nesbitt Burns Inc.
Dundee Securities Ltd.
Promoter(s):
-
Project #2321052

Issuer Name:
407 International Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 18, 2015
NP 11-202 Receipt dated March 18, 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

Issuer Name:
Baytex Energy Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 19, 2015
NP 11-202 Receipt dated March 19, 2015
Offering Price and Description:
$549,995,000
31,700,000 Common Shares
$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):
-
Project #2318566

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 17, 2015
NP 11-202 Receipt dated March 17, 2015
Offering Price and Description:
$140,642,500.00
5,050,000 Units
Price: $27.85 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securiities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Raymond James Ltd.
Dundee Securities Ltd.
Desjardins Securiites Inc.
GMP Securiites L.P.
Promoter(s):
-
Project #2315945

Issuer Name:
Cen-ta Real Estate Ltd.
Gro-Net Financial Tax & Pension Planners Ltd.
Type and Date:
Final Long Form Prospectus dated March 17, 2015
Receipted on March 18, 2015
Offering Price and Description:
$190,000.00 - Condominium Unit Acquisition Cost
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2308251; 2308249

Issuer Name:
CRH Medical Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 18, 2015
NP 11-202 Receipt dated March 18, 2015
Offering Price and Description:
C$23,800,000
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):
-
Project #2318502

Issuer Name:
Exemplar Growth and Income Fund
(Series A, Series AN, Series L, Series LN, Series F, Series FN and Series I units)
Exemplar Performance Fund
(Series A, Series AN, Series L, Series LN, Series F, Series FN and Series I units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 16, 2015
NP 11-202 Receipt dated March 20, 2015
Offering Price and Description:
Series A, Series AN, Series L, Series LN, Series F, Series FN and Series I units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
ARROW CAPITAL MANAGEMENT INC.
Project #2305995

Issuer Name:
Golden Queen Mining Co. Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated March 18, 2015
NP 11-202 Receipt dated March 18, 2015
Offering Price and Description:
US$70,000,000
Common Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2317427

Issuer Name:
Loblaw Companies Limited
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 19, 2015
NP 11-202 Receipt dated March 20, 2015
Offering Price and Description:
$1,500,000,000.00
Debentures (unsecured)
Second Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2318126

Issuer Name:
Orbite Aluminae Inc.
Principal Regulator - Quebec
Type and Date:
Final Base Shelf Prospectus dated March 18, 2015
NP 11-202 Receipt dated March 20, 2015
Offering Price and Description:
$30,000,000
Class A Shares (Common Shares)
Debt Securities
Convertible Securities
Warrants
Rights
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2300311

Issuer Name:
Pembina Pipeline Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 18, 2015
NP 11-202 Receipt dated March 18, 2015
Offering Price and Description:
$5,000,000,000
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2318645

Issuer Name:
Ridgewood Canadian Bond Fund
Ridgewood Tactical Yield Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 16, 2015
NP 11-202 Receipt dated March 17, 2015
Offering Price and Description:
units
Underwriter(s) or Distributor(s):
Ridgewood Capital Asset Management Inc.
Promoter(s):
Ridgewood Capital Asset Management Inc.
Project #2308890

Issuer Name:
Secure Energy Services Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 17, 2015
NP 11-202 Receipt dated March 17, 2015
Offering Price and Description:
$180,000,155
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

Issuer Name:
Slate Retail REIT
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 17, 2015
NP 11-202 Receipt dated March 19, 2015
Offering Price and Description:
U.S.$750,000,000
Units
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2318972

Issuer Name:
Squire Mining Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated March 17, 2015
NP 11-202 Receipt dated March 18, 2015
Offering Price and Description:
$3,000,000.00 - 3,000,000 Common Shares at $0.10 per Common Share
Underwriter(s) or Distributor(s):
Jordan Capital Markets Inc.
Promoter(s):
Ian H. Mann
Project #2310392

Issuer Name:
Tekmira Pharmaceuticals Corporation
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated March 19, 2015 to the Base Shelf Prospectus dated December 10, 2014
NP 11-202 Receipt dated March 20, 2015
Offering Price and Description:
US$180,000,000 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2284957

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Davis Distributors, LLC	Exempt Market Dealer	March 18, 2015
Voluntary Surrender	Monarc Money Solutions Inc.	Mutual Fund Dealer	March 18, 2015

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Chapter 25

Other Information

25.1 Applications for Extension

25.1.1 Smart Investments Ltd. and Smart Fund Family – ss. 2.1.(2), 6.1 of NI 81-101 Mutual Fund Prospectus Disclosure

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from section 2.1(2) of NI 81-101 to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus – National Instrument 81-101 Mutual Fund Prospectus Disclosure.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1(2), 6.1.

March 2, 2015

Wildeboer Dellelce LLP

Attention: Julie Anderson
Ron Schwass

Dear Sirs/Mesdames:

Re: Smart Investments Ltd. & Smart Fund Family (the Funds)

Preliminary Simplified Prospectus, Annual Information Form and Fund Facts dated September 11, 2014

Application under section 6.1 of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (NI 81-101) for an extension of the 90 day period under subsection 2.1(2) of NI 81-101

Application No. 2014/0911; SEDAR Project No. 2259476

By letter dated December 12, 2014 (the Application), the manager of the Funds applied to the Director of the Ontario Securities Commission (the Director) under section 6.1 of NI 81-101 for relief from the operation of subsection 2.1(2) of NI 81-101 which prohibits a mutual fund from filing a prospectus more than 90 days after the date of the receipt for the preliminary simplified prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Funds' prospectus, subject to the condition that the simplified prospectus be filed no later than March 4, 2015.

Yours very truly,

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

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