The Ontario Securities Commission

OSC Bulletin

April 30, 2015

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Ministerial Approval of Amendments to NI 45-106 Prospectus and Registration Exemptions and Consequential Amendments

NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS AND REGISTRATION EXEMPTIONS*
AND
CONSEQUENTIAL AMENDMENTS

April 30, 2015

On April 8, 2015, the Minister of Finance approved amendments to National Instrument 45-106 *Prospectus and Registration Exemptions* (the NI 45-106 Amendments) made by the Ontario Securities Commission (OSC or Commission) and amendments to other instruments that are consequential to the NI 45-106 Amendments (the Consequential Amendments).

The NI 45-106 Amendments and the Consequential Amendments are referred to collectively as the Rule Amendments and include amendments to the following instruments:

- OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*,
- Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*,
- OSC Rule 13-502 *Fees*,
- National Instrument 25-101 *Designated Rating Organizations*,
- National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*,
- Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers*,
- National Instrument 33-105 *Underwriting Conflicts*,
- National Instrument 41-101 *General Prospectus Requirements*,
- National Instrument 45-102 *Resale of Securities*,
- NI 45-106,
- OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* (OSC Rule 45-501),
- OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions*,
- National Instrument 51-102 *Continuous Disclosure Obligations*,
- National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*,
- National Instrument 62-103 *The Early Warning System and Related Take-Over and Insider Reporting Issues*,
- OSC Rule 91-501 *Strip Bonds*, and
- OSC Rule 91-502 *Trades in Recognized Options – Rule Under the Securities Act*.

The Rule Amendments, together with related policy changes, were made by the Commission on January 27, 2015. They were published on the OSC website at http://www.osc.gov.on.ca and in the OSC Bulletin in (2015), 38 OSCB (Supp-1) on February 19, 2015.

On March 20, 2015, the Commission approved changes to the NI 45-106 Amendments related to the introduction of the family, friends and business associates prospectus exemption. These changes clarified the order of the amendments to section 2.7 of NI 45-106 to ensure that that section is repealed going-forward. These changes were part of the NI 45-106 Amendments approved by the Minister of Finance.

Subject to certain transitional provisions, the Rule Amendments come into force on May 5, 2015.

The text of the Rule Amendments approved by the Minister of Finance, as well as the related policy changes, is set out in Chapter 5 of this Bulletin.

1.4 Notices from the Office of the Secretary

1.4.1 1415409 Ontario Inc. et al.

FOR IMMEDIATE RELEASE
April 22, 2015

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

AND

IN THE MATTER OF
1415409 ONTARIO INC., TITLE ONE CLOSING INC.,
RAVINDRA DAVE, CHANDRAMATTIE DAVE
and AMETRA DAVE

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. Staff shall provide disclosure to the Respondents by May 15, 2015, of documents and things in the possession or control of Staff that are relevant to the hearing in this matter;

2. The First Appearance in this matter be continued on June 17, 2015, at 10:00 a.m. for the purpose of providing a status update with respect to service; and

3. The Second Appearance in this matter be held on August 19, 2015, at 10:00 a.m.

A copy of the Order dated April 15, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 Bluestream Capital Corporation et al.

FOR IMMEDIATE RELEASE
April 22, 2015

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

AND

IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION,
BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP., 1859585 ONTARIO LTD.
(OPERATING AS SOVEREIGN INTERNATIONAL
INVESTMENTS) AND PETER BALAZS

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated April 21, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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1.4.3 International Strategic Investments et al.

FOR IMMEDIATE RELEASE
April 22, 2015

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

AND

IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS,
INTERNATIONAL STRATEGIC INVESTMENTS INC.,
SOMIN HOLDINGS INC., NAZIM GILLANI
AND RYAN J. DRISCOLL

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, on May 15, 2015, at 10:00 a.m. or such further or other dates as agreed by the parties and set by the Office of the Secretary.

A copy of the Order dated April 22, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

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1-877-785-1555 (Toll Free)

1.4.4 Portfolio Capital Inc. et al.

FOR IMMEDIATE RELEASE
April 23, 2015

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

TORONTO – The Commission issued an Order in the above noted matter which provides that:

(a) The Respondents shall serve and file their written submissions on sanctions and costs by 12:00 p.m. on Wednesday, May 6, 2015;

(b) Staff shall serve and file any reply submissions on sanctions and costs by 12:00 p.m. on Wednesday, May 13, 2015;

(c) The hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario on Wednesday, May 20, 2015, at 10:00 a.m.; and

(d) In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

A copy of the Order dated April 22, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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media_inquiries@osc.gov.on.ca

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1-877-785-1555 (Toll Free)

1.4.5 Paul Azeff et al.

FOR IMMEDIATE RELEASE
April 24, 2015

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

AND

IN THE MATTER OF
PAUL AZEFF, KORIN BOBROW,
MITCHELL FINKELSTEIN,
HOWARD JEFFREY MILLER AND
MAN KIN CHENG (a.k.a. FRANCIS CHENG)

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing to determine sanctions and costs will be adjourned from May 21, 2015 at 9:30 a.m. to June 17, 2015 at 9:30 a.m., to be held at the offices of the Commission at 20 Queen Street West, 17th floor, Toronto, ON.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
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For investor inquiries:

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1.4.6 Bryan Andrew Vickers

FOR IMMEDIATE RELEASE
April 27, 2015

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

AND

IN THE MATTER OF
BRYAN ANDREW VICKERS

AND

IN THE MATTER OF
A HEARING AND REVIEW OF A DECISION OF
A PANEL OF THE INVESTMENT INDUSTRY
REGULATORY ORGANIZATION OF CANADA,
DATED JUNE 19, 2014

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

A copy of the Reasons and Decision dated April 24, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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1.4.7 Satish Talawdekar and Anand Hariharan

FOR IMMEDIATE RELEASE
April 28, 2015

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

AND

IN THE MATTER OF
SATISH TALAWDEKAR AND
ANAND HARIHARAN

AND

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

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

A copy of the Order dated April 28, 2015 and Settlement Agreement dated March 6, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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SECRETARY

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1.4.8 Weizhen Tang

FOR IMMEDIATE RELEASE
April 28, 2015

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

AND

IN THE MATTER OF
WEIZHEN TANG

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to September 14, 2015 at 10:00 a.m.

A copy of the Order dated April 27, 2015 is available at www.osc.gov.on.ca.

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JOSÉE TURCOTTE
SECRETARY

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1.4.9 Oversea Chinese Fund Limited Partnership et al.

FOR IMMEDIATE RELEASE
April 28, 2015

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

AND

IN THE MATTER OF
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,
WEIZHEN TANG AND ASSOCIATES INC.,
WEIZHEN TANG CORP. AND WEIZHEN TANG

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that the Temporary Order is extended to September 18, 2015 and the hearing of this matter is adjourned to September 14, 2015 at 10:00 a.m., without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act.

A copy of the Temporary Order dated April 27, 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 Professionals Financial – Mutual Funds Inc.

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodial requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation – relief required because of new U.S. requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – Regulation 81-102 Investment Funds.

Applicable Legislative Provisions

Regulation 81-102 respecting Investment Funds, ss. 2.7(1), 2.7(4), 6.1(1), 19.1.

[Translation]

April 22, 2015

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

AND

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

AND

IN THE MATTER OF
PROFESSIONALS FINANCIAL – MUTUAL FUNDS INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**), pursuant to section 19.1 of *Regulation 81-102 respecting Investment Funds* (c. V-1.1, r. 39) (**Regulation 81-102**), exempting the PFM Funds (as defined below):

(i) from the requirement in subsection 2.7(1) of Regulation 81-102 that a mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating;

(ii) from the limitation in subsection 2.7(4) of Regulation 81-102 that the mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counterparty other than an acceptable clearing corporation or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A to Regulation 81-102 shall not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund; and

(iii) from the requirement in subsection 6.1(1) of Regulation 81-102 to hold all portfolio assets of a mutual fund under the custodianship of one custodian in order to permit each PFM Fund to deposit cash and portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin;

(Collectively, the **Requested Relief**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in New Brunswick; and

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

Interpretation

Terms defined in Regulation 81-102, *Regulation 14-101 respecting Definitions* (c. V-1.1, r. 3) and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

"Applicable PFM Fund" means the Professionals' Global Fixed Income Fund;

"CFTC" means the U.S. Commodity Futures Trading Commission;

"Clearing Corporation" means any of the Chicago Mercantile Exchange Inc., ICE Clear Credit LLC, ICE Clear Europe, LCH.Clearnet Limited and any other clearing organization that is permitted to operate in the Jurisdictions or in New Brunswick, as the case may be, where the PFM Funds are located;

"Dodd-Frank" means the Dodd-Frank Wall Street Reform and Consumer Protection Act;

"Futures Commission Merchant" means any futures commission merchant that is registered with the CFTC and is a member of a Clearing Corporation;

"PFM Funds" means (i) the Applicable PFM Fund and (ii) all existing mutual funds and any mutual funds subsequently established in the future that may enter into cleared Swaps (as defined below) and for which the Filer acts, or will act, as investment fund manager;

"Portfolio Manager" means the Filer, and/or each affiliate of the Filer and/or each third party portfolio manager, including a sub-manager, retained from time to time by the Filer to manage all or a portion of the investment portfolio of one or more of the PFM Funds;

"Swaps" means the swaps that are, or will become, subject to a clearing determination issued by the CFTC, including fixed-to-floating interest rate swaps, basis swaps, forward rate agreements in U.S. dollars, the Euro, Pounds Sterling or the Japanese Yen, overnight index swaps in U.S. dollars, the Euro and Pounds Sterling and untranched credit default swaps on certain North American indices (CDX.NA.IG and CDX.NA.HY) and European indices (iTraxx Europe, iTraxx Europe Crossover and iTraxx Europe HiVol) at various tenors.

"U.S. Person" has the meaning attributed thereto by the CFTC.

Representations

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

1. The Filer is, or will be, the investment fund manager of each PFM Fund. The Filer is registered as an investment fund manager, a portfolio manager, a derivatives portfolio manager and a mutual fund dealer in the Province of Québec. The Filer is also registered as an investment fund manager in the Province of Ontario. The head office of the Filer is in Montréal, Québec.

2. Either the Filer, and/or an affiliate of the Filer and/or a third party portfolio manager is or will be the portfolio manager or sub-manager of all or a portion of the investment portfolio of each PFM Fund.

3. Each Portfolio Manager of the Applicable PFM Fund is duly registered as a portfolio manager in the Jurisdictions.

4. Each PFM Fund is, or will be, a mutual fund created under the laws of the Province of Québec and is, or will be, subject to the provisions of Regulation 81-102.

5. Neither the Filer nor the PFM Funds are in default of securities legislation in the Jurisdictions or in New Brunswick.

6. The securities of each PFM Fund are, or will be, qualified for distribution pursuant to a simplified prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions and New Brunswick. Accordingly, each PFM Fund is, or will be, a reporting issuer or the equivalent in each of Quebec, Ontario and New Brunswick.

7. The investment objective and investment strategies of each PFM Fund permit, or will permit, the PFM Fund to enter into derivative transactions, including Swaps. The Portfolio Manager of the Applicable PFM Fund considers Swaps to be an important investment tool that is available to it to properly manage such Applicable PFM Fund's portfolio. The Applicable PFM Fund has entered into, or intends to enter into, single-name credit default swaps, interest rate swaps and foreign exchange swaps.

8. Dodd-Frank requires that certain over-the-counter (OTC) derivatives be cleared through a Futures Commission Merchant at a clearing organization recognized by the CFTC. Generally, where one party to a Swap is a U.S. Person and the other party to the Swap is a mutual fund, such as a PFM Fund, that Swap must be cleared, absent an available exception.

9. The Applicable PFM Fund may enter into Swaps on OTC basis with Canadian, U.S. or other international counterparties. These OTC Swaps are entered into in compliance with the derivative provisions of Regulation 81-102.

10. In order for the PFM Funds to benefit from both the pricing benefits and reduced trading costs that a Portfolio Manager is often able to achieve through its trade execution practices for its managed investments funds and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filer wishes to have the PFM Funds have the ability to enter into cleared Swaps.

11. In the absence of the Requested Relief, the Portfolio Managers of the PFM Fund need to structure certain swaps entered into by the PFM Funds so as to avoid the clearing requirements of the CFTC. The Filer respectfully submits that this would not be in the best interests of the PFM Funds and their investors for a number of reasons, as set out below.

12. The Filer believes that it is in the best interests of the PFM Funds and their investors to be able to execute OTC derivatives with U.S. Persons, including U.S. swap dealers.

13. In its role as investment fund manager for the PFM Funds, the Filer has determined that central clearing represents a good choice for the investors in the PFM Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

14. A Portfolio Manager typically uses the same trade execution practices for all of its advised investment funds and other accounts. An example of these trade execution practices is block trading, where a large number of securities are purchased or sold or large derivative trades are entered into on behalf of a number of investment funds and other accounts advised by one Portfolio Manager. These practices include the use of cleared Swaps if such trades are executed with a U.S. swap dealer. If the PFM Funds are unable to use cleared Swaps, then each affected Portfolio Manager will have to create separate trade execution practices only for the PFM Funds for these types of trades. This will increase the operational risk for the PFM Funds. In addition, the PFM Funds will not be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Manager may be able to achieve through a common practice for its advised funds and other accounts. In the Filer's opinion, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Swaps on a cleared basis.

15. As a member of the G20 and a participant in the September 2009 commitment of G20 nations to improve transparency and mitigate risk in derivatives markets, Canada has expressly recognized the systemic benefits that clearing OTC derivatives offers to market participants, such as the PFM Funds. The Filer respectfully submits that the PFM Funds should be encouraged to comply with the robust clearing requirements established by the CFTC by granting them the Requested Relief.

16. The Requested Relief is analogous to the treatment currently afforded under Regulation 81-102 to other types of derivatives that are cleared, such as clearing corporation options, options on futures and standardized futures. This

demonstrates that, from a policy perspective, the Requested Relief is consistent with the views of the Canadian securities authorities in respect of cleared derivative trades.

17. For the reasons provided above, the Filer submits that it would not be prejudicial to the public interest to grant the Requested Relief.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that, in respect of the deposit of cash and portfolio assets as margin:

(a) in Canada,

(i) the Futures Commission Merchant is a member of a SRO that is a participating member of CIPF; and

(ii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant on behalf of the PFM Fund, exceed 10 percent of the net asset value of the PFM Fund as at the time of deposit; and

(b) outside of Canada,

(i) the Futures Commission Merchant is a member of a Clearing Corporation and, as a result, is subject to a regulatory audit;

(ii) the Futures Commission Merchant has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million; and

(iii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant on behalf of the PFM Fund, exceed 10 percent of the net asset value of the PFM Fund as at the time of deposit.

This decision will terminate on the coming into force of any revisions to the provisions of Regulation 81-102 that address the clearing of OTC derivatives.

“Josée Deslauriers”
Senior Director, Investment Funds and Continuous Disclosure
Autorité des marchés financiers

2.1.2 Dominion Equity Resource Growth Class of Brickburn Funds Inc.

Headnote

MI 11-102 and NP 11-203 – manager of the filer mutual fund proposed a rollover of the filer mutual fund into another mutual fund – transaction requires approval under paragraph 5.5(1)(b) of NI 81-101 – approval granted.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, s. 5.5.

Citation: Re Dominion Equity Resource Growth Class of Brickburn Funds Inc., 2015 ABASC 656

April 21, 2015

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

AND

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

AND

IN THE MATTER OF
DOMINION EQUITY RESOURCE GROWTH CLASS OF BRICKBURN FUNDS INC.

DECISION

Background

The securities regulatory authority or regulator in each of the jurisdictions (the **Decision Maker**) has received an application from Brickburn Asset Management Inc. (the **Manager**) and Dominion Equity Resource Growth Class (the **Terminating Fund** and, together with the Manager, the **Filers**) of Brickburn Funds Inc. for approval under the securities legislation of the Jurisdictions (the **Legislation**) as required by paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to effect the rollover (the **Transaction**) of the Terminating Fund into the Brickburn Small Cap Class (the **Continuing Fund** and, together with the Terminating Fund, the **Funds**) of Brickburn Funds Inc., (the **Corporation**) as more particularly described below (the **Approval Sought**).

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia; and

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

Interpretation

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

Representations

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

1. The Manager is the investment fund manager of each of the Funds. The Manager is a corporation existing under the laws of Alberta having its head office in Calgary, Alberta. The Manager is registered as a portfolio manager and an investment fund manager in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. The Manager is not in default under the securities legislation of any jurisdiction.

2. The Corporation is the issuer of the Funds and of Brickburn Income Growth Class (**Brickburn Fund**), each such fund representing a class of mutual fund shares of the Corporation. The Corporation is authorized to issue an unlimited number of shares in respect of each Fund (a class of shares) in series. The Corporation designated Class A, Class B and Class C shares respectively to the Terminating Fund, the Continuing Fund and the Brickburn Fund.. The Terminating Fund is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia. The Continuing Fund is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. As a result of the Transaction, the Continuing Fund will become a reporting issuer in Québec, New Brunswick and Nova Scotia. Neither the Corporation nor either Fund is in default under the securities legislation of any jurisdiction.

3. The Manager and the Funds will seek securityholder approval in respect of the Transaction for each of: (i) the Terminating Fund as required by paragraph 5.1(f) of NI 81-102 and applicable corporate law, and (ii) the Continuing Fund pursuant to applicable corporate law. Special meetings (the **Special Meetings**) of the securityholders of each Fund are expected to be held on or about April 21, 2015.

4. The Transaction will be effected on a tax-deferred basis by way of a reallocation of the assets of the Terminating Fund to the Continuing Fund within the Corporation and will not result in a taxable disposition. Securityholders of the Terminating Fund will not realize a capital gain or a capital loss on the exchange of their securities of the Terminating Fund for securities of the Continuing Fund. The aggregate adjusted cost base of the securityholders' securities of the Terminating Fund will become the aggregate adjusted cost base of the securities of the Continuing Fund they receive on the exchange. Securityholders that have an accrued capital gain or loss on their securities of the Terminating Fund will continue to have such accrued gain or loss on their securities of the Continuing Fund.

5. A press release describing the Transaction has been issued and the press release and material change report, which give notice of the proposed Transaction, have been filed on the Terminating Fund's SEDAR profile. In addition, the simplified prospectus, annual information form and fund facts in respect of the Terminating Fund have been amended to account for the Transaction and are available on SEDAR.

6. A management information circular and proxy package in respect of the Special Meetings has been mailed to the securityholders of each Fund and has been filed on SEDAR. In addition, the fund facts of the Continuing Fund has been mailed to the securityholders of the Terminating Fund.

7. The management information circular contains a description of the Transaction, information about the Terminating Fund and the Continuing Fund, including the differences in the fundamental investment objectives and fee structure of each Fund, and income tax considerations for the securityholders of each Fund. The management information circular also describes the various ways in which securityholders can obtain copies of the current prospectus, annual information form, fund facts, most recent interim and annual financial statements and management reports of fund performance for the Continuing Fund.

8. Subject to receipt of regulatory and securityholder approval, the Terminating Fund will roll into the Continuing Fund on or about April 24, 2015 (the **Effective Date**) and the Continuing Fund will continue as a publicly offered open-ended mutual fund.

9. The articles of amalgamation of the Corporation will be amended to authorize the exchange of all of the outstanding shares of each series of the Terminating Fund for shares of the same series of the Continuing Fund. Securities of the Continuing Fund received by the securityholders of the Terminating Fund will have an aggregate net asset value equal to the aggregate net asset value of the securities of the Terminating Fund which are being exchanged.

10. The Terminating Fund will be wound up as soon as reasonably possible following the Effective Date.

11. Securityholders of the Terminating Fund will continue to have the right to redeem securities of the Terminating Fund up to the close of business on the business day immediately before the Effective Date.

12. The net asset value for each series of the Funds is calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading and the Terminating Fund and the Continuing Fund have substantially similar valuation procedures.

13. The Manager will pay the costs and expenses associated with the Transaction. These costs may include legal and accounting fees, brokerage fees, printing and mailing costs and regulatory fees.

14. The administration fees of each applicable series of the Continuing Fund will be substantially lower than the administration fees of the corresponding series of the Terminating Fund. The small size of the Terminating Fund's assets relative to its fixed and other expenses would result in high costs within the Terminating Fund if it continued to operate.

15. The securityholders of the Terminating Fund and the Continuing Fund will enjoy increased economies of scale and lower fund operating expenses as part of the Continuing Fund.

16. Pre-approval of the Transaction under section 5.6 of NI 81-102 is not available because (i) neither the fundamental investment objectives nor the fee structure of the Terminating Fund and Continuing Fund are substantially similar; (ii) the Continuing Fund is not a reporting issuer in, and does not have a current prospectus in Québec, New Brunswick or Nova Scotia. In all other respects, the Transaction will satisfy the requirements under subsection 5.6(1) of NI 81-102.

17. The Continuing Fund can, if the Manager so chooses, hold all of the existing securities of the Terminating Fund following the Transaction without violating any of its stated investment objectives.

18. The Independent Review Committee of the Funds (the **IRC**) has reviewed the proposed Transaction and the process to be followed in connection with the Transaction and has advised the Manager that, in the opinion of the IRC, the Transaction achieves a fair and reasonable result for the Terminating Fund and the Continuing Fund.

Decision

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.3 Dixie Energy Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – issuer deemed to be no longer a reporting issuer under securities legislation – outstanding securities are owned by more than 15 security holders in certain jurisdictions of Canada and more than 51 security holders worldwide – issuer currently in the process of a winding-up supervised by the Court of Queen's Bench of Alberta – issuer has issued a press release announcing that it has submitted an application to cease to be a reporting issuer – requested relief granted.

Applicable Legislative Provisions

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

Citation: Re Dixie Energy Trust, 2015 ABASC 658

March 24, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA AND ONTARIO
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
DIXIE ENERGY TRUST
(THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is deemed to have ceased to be a reporting issuer (the **Exemptive Relief Sought**).

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

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

(b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer is an unincorporated open-ended limited purpose trust established pursuant to the laws of the Province of Alberta with its registered address located in Calgary, Alberta.

2. Dixie Energy Ltd., the administrator of the Filer (the **Administrator**), is a corporation governed by the *Business Corporations Act* (Alberta) with its registered address located in Calgary, Alberta.

3. The Filer is governed by the second amended and restated trust indenture made as of February 28, 2013 between Olympia Trust Company (the **Trustee**) and the Administrator, as amended by the supplemental indenture made as of June 6, 2014 between the Trustee and the Administrator (collectively, the **Trust Indenture**).

4. The Filer is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. The Filer is not in default of any of its obligations under the securities legislation of the Jurisdictions.

5. The Filer is authorized to issue an unlimited number of trust units (**Trust Units**), of which 57,082,559 Trust Units are issued and outstanding. Other than Trust Units, the Filer has no other securities issued and outstanding.

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

7. The Filer does not intend to have any of its Trust Units (or any other securities of the Filer) traded on any marketplace in Canada or any other jurisdiction.

8. Computershare Trust Company of Canada (**Computershare**) is the registrar and transfer agent of the Filer.

9. Computershare has advised the Filer that there are an aggregate of 235 registered holders of Trust Units (**Unitholders**), with 221 Unitholders in Canada holding 55,414,596 Trust Units (98.30% of the issued and outstanding Trust Units) as follows:

    (a) British Columbia: 177 Unitholders (75.32% of all outstanding Unitholders) holding 21,095,713 Trust Units (36.96% of the issued and outstanding Trust Units);

    (b) Alberta: 41 Unitholders (17.45% of all outstanding Unitholders) holding 15,399,475 Trust Units (26.98% of the issued and outstanding Trust Units);

    (c) Ontario: nine Unitholders (3.83% of all outstanding Unitholders) holding 18,916,798 Trust Units (33.14% of the issued and outstanding Trust Units); and

    (d) Québec: four Unitholders (1.70% of all outstanding Unitholders) holding 2,610 Trust Units (0.00% of the issued and outstanding Trust Units).

    There are four Unitholders (1.70% of all outstanding Unitholders) in the United States holding 1,667,963 Trust Units (2.92% of the issued and outstanding Trust Units).

10. The Filer is not eligible to use the procedure to voluntarily surrender its reporting issuer status in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 security holders.

11. The Filer is not eligible to file under the simplified procedure in CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because the Filer is a reporting issuer in British Columbia and has 15 or more securityholders in certain jurisdictions of Canada and 51 or more securityholders in total worldwide.

12. An annual and special meeting of Unitholders was held on December 29, 2014 (the **Special Meeting**).

13. Unitholders of record on November 10, 2014, the record date for the Special Meeting (the **Record Date**), were entitled to receive notice of, and attend and vote at, the Special Meeting. Unitholders holding 75.87% of the Trust Units outstanding on the Record Date voted at the Special Meeting.

14. At the Special Meeting Unitholders approved:

    (a) a special resolution (the **Sale and Winding-Up Resolution**) authorizing and approving: (i) the sale of all or substantially all of the assets of the Filer (the **Sale Transaction**); and (ii) subject to completion of the Sale Transaction, the winding-up of the Filer pursuant to the termination provisions of the Trust Indenture and a winding-up procedure established by Ernst & Young Inc. as claims administrator in conjunction with the Trustee and the board of directors (the **Board**) of the Administrator as described in the Management Information Circular of the Filer dated December 2, 2014 (the **Information Circular**); and

(b) an ordinary resolution (the **Exemptive Relief Resolution**) authorizing the Administrator, on behalf of the Filer, to make an application for the Filer to cease to be a reporting issuer pursuant to applicable Canadian provincial securities legislation.

15. Of the votes cast at the Meeting, 99.92% voted in favour of each of the Sale and Winding-Up Resolution and the Exemptive Relief Resolution.

16. The Sale Transaction closed on December 29, 2014, following which the Filer ceased to have an operating business or any property or assets other than the cash proceeds of the Sale Transaction (the **Sale Proceeds**).

17. Effective January 13, 2015 the Board approved the commencement of the winding-up of the Filer pursuant to the termination provisions of the Trust Indenture and the winding-up procedure described in the Information Circular.

18. Pursuant to an order (**Order**) of the Court of Queen's Bench of Alberta (the **Court**) dated January 20, 2015, Ernst & Young Inc. was appointed claims administrator (the **Claims Administrator**) of the Filer for the purpose of administering, in addition to a claims procedure for creditors of the Filer, a procedure to identify and determine claims of Unitholders (collectively, the **Claims Procedure**).

19. In addition to other matters, with respect to Unitholders the Order provided:

(a) for notice (the **Winding-Up Notice**) to Unitholders who were holders of Trust Units as of the Record Date:

(i) that the winding-up of the Filer had commenced and including the claim of such Unitholder based on the register of Trust Units, along with a blank proof of claim and instruction letter;

(ii) of the date of closing of the register of Trust Units, being March 23, 2015;

(iii) of the deadline for Unitholders to surrender certificates representing their Trust Units for cancellation, being July 31, 2015 (the **Deadline**); and

(iv) that the Claims Administrator may from time to time apply to the Court for direction in respect of the Claims Procedure and for a final order (**Final Order**) providing relief relating to the winding-up and termination of the Filer, and setting forth a method for Unitholders to advise the Claims Administrator whether they want to be given notice of either: (i) all applications made by the Claims Administrator and the Trustee in respect of the winding-up of the Filer, if any, including the application for the Final Order, if any; or (ii) only the application for the Final Order, if any, such notice to be given by the Claims Administrator (if so requested) by electronic mail in accordance with instructions received from Unitholders requesting notice;

(b) that any certificates representing Trust Units not surrendered for cancellation by the Deadline shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their pro-rata share of any distributions of the Sale Proceeds;

(c) for a process for claims of Unitholders to be accepted (or deemed accepted in certain circumstances), disputed or resolved; and

(d) that the Claims Administrator, together with the Trustee, may apply to the Court for a Final Order upon notice to, among others, Unitholders that requested notice, for certain relief summarised as follows:

(i) in respect of proven claims, declarations in respect of the amount of each claim;

(ii) authorizing distributions to Unitholders from the Sale Proceeds after provision for the payment of all liabilities and obligations of the Filer;

(iii) discharging the Trustee, the Administrator and the Claims Administrator from all duties and obligations relating to the Filer, including the administration thereof; and

(iv) approving the winding-up of the Filer and terminating the Filer,

(collectively, the **Relief**), which relief will only be granted if the Court deems it appropriate upon the application for the Final Order.

20. By news release dated January 21, 2015 the Filer announced, among other things, the appointment by the Court of the Claims Administrator in connection with the winding-up of the Filer, that the Claims Administrator (together with the Trustee) will establish the Claims Procedure and that additional information regarding the Claims Procedure will be provided by the Claims Administrator and would be available on a specified website of the Claims Administrator.

21. On January 26, 2015, the Trustee, on behalf of the Trust and the Claims Administrator, sent the Winding-Up Notice to Unitholders.

22. On February 13, 2015, CDS Clearing and Depository Services Inc. published a bulletin announcing the closing of the register of Trust Units as of 5:00 p.m. (MST) on March 23, 2015 and that following such closing, transfers of Trust Units will no longer be recorded.

23. There is currently no active market for trading of Trust Units and the Filer does not expect an active market to develop.

24. The Filer has no current intention to seek public financing by way of offering of securities.

25. Transfers of Trust Units will not be permitted after March 23, 2015, being the date of the closing of the register of Trust Units, unless, in the opinion of the Claims Administrator, material extenuating circumstances exist and such circumstances can be evidenced to the Claims Administrator in a manner satisfactory to the Claims Administrator.

26. By press release dated February 18, 2015, the Filer announced that it had applied for a decision under the securities legislation of British Columbia, Alberta and Ontario that the Filer cease to be a reporting issuer.

27. The Claims Administrator has established a website (the **Website**) in respect of the Claims Procedure where it intends to make available information in respect of the Claims Procedure, including notices provided to Unitholders, proofs of claim and other documents related to the Claims Procedure. Notice of the website was included in the Winding-Up Notice and the news release of the Filer dated January 21, 2015.

28. The Claims Administrator intends to report to Court in the course of administering the Claims Procedure, and such reports will be available on the Website.

29. The Filer does not expect that there will be any activities of the Filer that will require the approval of the Unitholders, which would necessitate continuous disclosure to obtain such approval.

30. The Filer has ceased carrying on business other than for the purpose of winding-up, and will be wound-up and terminated after all claims are resolved and all remaining Sale Proceeds are distributed to Unitholders.

31. The Exemptive Relief Sought would alleviate costs of maintaining reporting issuer status under the Legislation, which would outweigh any benefits that the Unitholders may receive from continuous disclosure reporting and diminish the amounts available for distribution to the Unitholders.

32. The Filer, upon the granting of the Exemptive Relief Sought, will no longer be a reporting issuer in any jurisdiction in Canada.

Decision

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

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

“Denise Weeres”
Manager, Legal
Corporate Finance

2.1.4 National Bank Trust Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) of NI 31-103 to permit in-specie subscriptions and redemptions by separately managed accounts and pooled funds in pooled funds – Portfolio manager of managed accounts is also portfolio manager of pooled funds and is therefore a "responsible person" – Relief subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(ii) and (iii).

November 7, 2014

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

AND

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

AND

IN THE MATTER OF
NATIONAL BANK TRUST INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer, on behalf of itself and each affiliate that acts as the portfolio manager of a Pooled Fund (as defined below) or a Managed Account (as defined below), for a decision under the securities legislation of the Jurisdictions (the **Legislation**) granting an exemption from subparagraphs 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which prohibit an adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person or any investment fund for which a responsible person acts as an adviser, to permit the following purchases and redemptions (each purchase and redemption, an **In-Specie Transaction**):

(a) the purchase by a Pooled Fund of securities of another Pooled Fund, and the redemption of securities held by a Pooled Fund in another Pooled Fund, and as payment:

  (i) for such purchase, in whole or in part, by the Pooled Fund making good delivery of portfolio securities to the other Pooled Fund; and

  (ii) for such redemption, in whole or in part, by the other Pooled Fund making good delivery of portfolio securities to the Pooled Fund; and

(b) the purchase by a Managed Account of securities of a Pooled Fund, and the redemption of securities held by a Managed Account in a Pooled Fund, and as payment:

  (i) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the Pooled Fund; and

  (ii) for such redemption, in whole or in part, by the Pooled Fund making good delivery of portfolio securities to the Managed Account.

(the **Exemption Sought**).

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

(a) the Autorité des marches financiers is the principal regulator for this application;

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (the **Other Jurisdictions**, which together with the Jurisdictions, are the F**iling Jurisdictions**); and

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

Interpretation

Terms defined in the Legislation, MI 11-102, National Instrument 14-101 *Definitions* and NI 31-103 have the same meanings if used in this decision unless otherwise defined. In this decision:

Pooled Fund means an investment fund to which National Instrument 81-102 *Mutual Funds* does not apply and the portfolio of which is currently, or in the future will be, managed by the Filer or an affiliate of the Filer.

Managed Account means an account of a client of the Filer or an affiliate of the Filer for which the Filer or affiliate has discretionary authority to trade in securities for the account without requiring the client's express consent to the transaction.

Representations

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

1. The Filer is a trust company existing under the laws of Québec with its head office in Montreal, Québec.

2. The Filer is registered as a portfolio manager and exempt market dealer in each of the Filing Jurisdictions and as an investment fund manager in Québec, Ontario and Newfoundland & Labrador.

3. Each affiliate of the Filer seeking to rely on this decision is, or will be, registered as a portfolio manager in the applicable jurisdictions of Canada.

4. The Filer is a direct and indirect wholly-owned subsidiary of National Bank of Canada.

5. Securities of each of the Pooled Funds are, or will be, distributed in the Filing Jurisdictions pursuant to exemptions from the prospectus requirement. Each of the Pooled Funds is not, or will not be, a reporting issuer in the Filing Jurisdictions.

6. The Filer, or an affiliate of the Filer, is, or will be, the manager and/or portfolio manager of each of the Pooled Funds.

7. The Filer or an affiliate of the Filer, is, or will be, the portfolio manager of a Managed Account.

8. The Filer, or an affiliate of the Filer, is, or may be, the trustee of certain of the Pooled Funds that are created as trusts.

9. A Pooled Fund may be an associate of the Filer, or of an affiliate of the Filer, as the Filer or an affiliate of the Filer may be the trustee of a Pooled Fund that is structured as a trust.

10. The Filer, affiliates of the Filer seeking to rely upon this decision, and the Pooled Funds are not in default of securities legislation in any of the Filing Jurisdictions.

11. In its capacity as portfolio manager of a Pooled Fund, the Filer (or its affiliate) wishes to be able, in accordance with the investment objectives and investment restrictions of the Pooled Fund, to cause the Pooled Fund to invest in units or shares (**Fund Securities**) of another Pooled Fund pursuant to an In-Specie Transaction. This will occur where, as part of its portfolio management, a Pooled Fund wishes to obtain exposure to certain investments or a category of asset classes held by the second Pooled Fund by investing in Fund Securities of the second Pooled Fund.

12. Similarly, the Filer (or its affiliate) wishes to be able to cause the Pooled Fund to redeem Fund Securities from the second Pooled Fund pursuant to an In-Specie Transaction.

13. The Filer and its affiliates offer discretionary portfolio management services to clients (**Clients**) seeking wealth management or related services through Managed Accounts.

14. Pursuant to a written agreement (**Discretionary Management Agreement**) entered into between each Client and the Filer (or an affiliate of the Filer), the Filer (or its affiliate), as the portfolio manager of the Managed Account, makes investment decisions for each Managed Account and has full discretionary authority to trade in securities for each Managed Account without obtaining the specific consent or instructions of the Client to the trade.

15. The portfolio management services provided by the Filer (or the relevant affiliate), as the portfolio manager of the Managed Account, to each Client consist of the following:

    (a) each Client executes a Discretionary Management Agreement whereby the Client authorizes the portfolio manager to supervise, manage and direct purchases and sales in the Client's Managed Account, at the portfolio manager's full discretion on a continuing basis;

    (b) qualified employees of the portfolio manager perform investment research, securities selection and portfolio management functions with respect to all securities, investments, cash and cash equivalents and other assets in the Managed Account;

    (c) each Managed Account holds securities and other investments as selected by the portfolio manager in its sole discretion; and

    (d) the portfolio manager retains overall responsibility for the advice provided to its Clients and has a designated senior officer to oversee and supervise the Managed Account.

16. Investments in individual securities may not be appropriate in certain circumstances for a Client. Consequently, the Filer (or its affiliate) may, where authorized under the Discretionary Management Agreement, invest Client assets in securities of any one or more of the Pooled Funds in order to give its Clients the benefit of asset diversification and economies of scale through minimum commission charges on portfolio trades and generally to facilitate portfolio management.

17. The Filer (or its affiliate) wishes to have the ability to cause a Managed Account for which it acts as portfolio manager to purchase and redeem Fund Securities of a Pooled Fund pursuant to In-Specie Transactions.

18. The Filer anticipates that purchases of Fund Securities pursuant to In-Specie Transactions will occur most commonly when the Managed Account is newly established and the portfolio manager of the Managed Account believes that the Client will be better served by holding securities of one or more Pooled Funds rather than continuing to directly hold individual securities.

19. The Filer anticipates that redemptions pursuant to In-Specie Transactions will typically occur following a redemption of Fund Securities where a Managed Account invested in a Pooled Fund has experienced a change in circumstances which results in the Managed Account being an ideal candidate for direct holdings of individual portfolio securities rather than Fund Securities.

20. The In-Specie Transactions will be carried out in accordance with the Filer's, or the relevant affiliate's, written policies and procedures, which are consistent with applicable securities legislation.

21. Prior to entering into an In-Specie Transaction involving a Pooled Fund and a second Pooled Fund or a Managed Account and a Pooled Fund, the proposed transaction will be reviewed by a person of authority in the Filer or the relevant affiliate's compliance department, to determine that the transaction represents the business judgment of the Filer or the relevant affiliate, uninfluenced by considerations other than the best interests of the applicable Pooled Funds and the Managed Account (as applicable).

22. Each Discretionary Management Agreement or other documentation will contain the authorization of the Client for the portfolio manager of the Managed Account to engage in In-Specie Transactions on behalf of the Managed Account.

23. No In-Specie Transaction will involve a Client that is a "responsible person" of the Filer or its affiliates, as that term is defined in subsection 13.5(1) of NI 31-103.

24. In respect of each In-Specie Transaction, the portfolio securities to be delivered will meet the investment criteria of the Pooled Fund or Managed Account, as applicable, acquiring the portfolio securities.

25. The Filer or its affiliate will value portfolio securities under an In-Specie Transaction using the same values to be used on that day to calculate the net asset value for the purpose of the issue price or redemption price of Fund Securities.

26. The Filer will not cause any Pooled Fund or Managed Account to engage in an In-Specie Transaction at any time when illiquid assets represent more than an immaterial portion of the portfolio of the applicable Pooled Fund or Managed Account.

27. In-Specie Transactions will enable the Filer and its affiliates to manage each asset class more effectively and to reduce the transaction costs of Clients and Pooled Funds. For example, In-Specie Transactions reduce market impact costs, which can be detrimental to Clients and/or Pooled Funds. In-Specie Transactions also allow a portfolio manager to retain within its control institutional-size blocks of portfolio securities that would otherwise need to be broken and re-assembled.

28. The Filer and its affiliates have determined that it would be in the interests of the Pooled Funds and the Managed Accounts to receive the Exemption Sought.

29. Since the Filer or its affiliate is the portfolio manager of the Managed Accounts and the Pooled Funds, the Filer and the affiliates would be considered a "responsible person" within the meaning of NI 31-103, and would thus be prohibited from the above-described In-Specie Transactions in the absence of the Exemption Sought.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

(a) in connection with an In-Specie Transaction where a Pooled Fund purchases Fund Securities of another Pooled Fund:

  (i) the other Pooled Fund would, at the time of payment, be permitted to purchase the portfolio securities;

  (ii) the portfolio securities are acceptable to the Filer (or its affiliate) as portfolio manager of the other Pooled Fund and consistent with the other Pooled Fund's investment objectives;

  (iii) the value of the portfolio securities is equal to the issue price of the Fund Securities of the other Pooled Fund for which they are payment, valued as if the portfolio securities were portfolio assets of the other Pooled Fund; and

  (iv) the other Pooled Fund will keep written records of each In-Specie Transaction in each applicable financial year, reflecting details of the portfolio securities delivered to it and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103;

(b) in connection with an In-Specie Transaction where a Pooled Fund redeems Fund Securities of another Pooled Fund:

  (i) the portfolio securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Pooled Fund acquiring the portfolio securities and consistent with the Pooled Fund's investment objectives;

  (ii) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities;

  (iii) the other Pooled Fund will keep written records of each In-Specie Transaction in each applicable financial year, reflecting details of the portfolio securities delivered by it and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103;

(c) in connection with an In-Specie Transaction where a Managed Account acquires Fund Securities of a Pooled Fund:

(i) the Filer (or its affiliate), as portfolio manager of the Managed Account, obtains the prior written consent of the Client of the Managed Account before it engages in any In-Specie Transaction and such consent has not been revoked;

(ii) the Pooled Fund would, at the time of payment, be permitted to purchase the portfolio securities;

(iii) the portfolio securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Pooled Fund and consistent with the Pooled Fund's investment objectives;

(iv) the value of the portfolio securities is equal to the issue price of the Fund Securities of the Pooled Fund for which they are payment, valued as if the portfolio securities were portfolio assets of that Pooled Fund;

(v) the Client of the Managed Account has not provided notice to terminate its Managed Account;

(vi) the account statement next prepared for the Managed Account describes the portfolio securities delivered to the Pooled Fund and the value assigned to such portfolio securities; and

(vii) the Pooled Fund will keep written records of each In-Specie Transaction in each applicable financial year, reflecting details of the portfolio securities delivered to the Pooled Fund and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103;

(d) in connection with an In-Specie Transaction where a Managed Account redeems Fund Securities of a Pooled Fund:

(i) the Filer (or its affiliate), as portfolio manager of the Managed Account, obtains the prior written consent of the Client of the Managed Account before it engages in an In-Specie Transaction and such consent has not been revoked;

(ii) the portfolio securities are acceptable to the Filer (or its affiliate) as portfolio manager of the Managed Account and consistent with the Managed Account's investment objectives;

(iii) the value of the portfolio securities is equal to the amount at which those portfolio securities were valued in calculating the net asset value per security used to establish the redemption price of the Fund Securities;

(iv) the account statement next prepared for the Managed Account describes the portfolio securities delivered to the Managed Account and the value assigned to such portfolio securities; and

(v) the Pooled Fund will keep written records of each In-Specie Transaction in each applicable financial year, reflecting details of the portfolio securities delivered by the Pooled Fund and the value assigned to such portfolio securities, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103;

(e) the Filer and its affiliates relying on this decision do not receive any compensation in respect of any In-Specie Transaction and, in respect of any delivery of portfolio securities further to an In-Specie Transaction; the only charges paid by a Managed Account or a Pooled Fund is the commission charged by the dealer executing the trade (if any) and/or any administrative charges levied by the custodian.

"Eric Stevenson"
Le Surintendant de l'assistance aux clientèles et de l'encadrement de la distribution

2.2 Orders

2.2.1 1415409 Ontario Inc. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
1415409 ONTARIO INC., TITLE ONE CLOSING INC., RAVINDRA DAVE, CHANDRAMATTIE DAVE and AMETRA DAVE

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS on March 17, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 17, 2015 with respect to Chandramattie Dave ("Chandramattie"), Ravindra Dave ("Ravindra"), Ametra Dave ("Ametra"), 1415409 Ontario Inc., and Title One Closing Inc. (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set April 15, 2015 as the hearing date in this matter;

AND WHEREAS a hearing in this matter was held on April 15, 2015;

AND WHEREAS on April 15, 2015, Staff and some of the Respondents appeared;

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

IT IS ORDERED that:

1. Staff shall provide disclosure to the Respondents by May 15, 2015, of documents and things in the possession or control of Staff that are relevant to the hearing in this matter;

2. The First Appearance in this matter be continued on June 17, 2015, at 10:00 a.m. for the purpose of providing a status update with respect to service; and

3. The Second Appearance in this matter be held on August 19, 2015, at 10:00 a.m.

DATED at Toronto, this 15th day of April, 2015.

"Mary Condon"

2.2.2 Bluestream Capital Corporation et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION, BLUESTREAM INTERNATIONAL INVESTMENTS INC., KROWN CONSULTING CORP., 1859585 ONTARIO LTD. (OPERATING AS SOVEREIGN INTERNATIONAL INVESTMENTS) AND PETER BALAZS

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS on March 12, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 11, 2014, in respect of Bluestream Capital Corporation, Bluestream International Investments Inc., Krown Consulting Corporation, 1859585 Ontario Inc. (operating as Sovereign International Investment) (together, the "Corporate Respondents") and Peter Balazs ("Balazs") (collectively, the "Respondents");

AND WHEREAS on June 26, 2014, the Commission ordered that the hearing on the merits commence on January 12, 2015 at 10:00 a.m. at the offices of the Commission;

AND WHEREAS on December 29, 2014, the Commission converted this matter to a hearing in writing;

AND WHEREAS by Reasons and Decision dated March 4, 2015, the Commission found that:

(a) During the Material Time, the Respondents traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so and without an available exemption from the registration requirements, contrary to subsection 25(1)(a) of the Act for the period before September 28, 2009 and contrary to subsection 25(1) of the Act for the period on and after September 28, 2009;

(b) During the Material Time, the Respondents traded in securities when a preliminary prospectus and prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act;

(c) During the Material Time, the Respondents engaged or participated in acts,

practices or courses of conduct relating to securities that they knew or ought to have known perpetrated a fraud on persons or companies contrary to subsection 126.1(1)(b) of the Act;

(d) During the Material Time, Balazs, being an officer or director of the Corporate Respondents, authorized, permitted or acquiesced in the non-compliance of the Corporate Respondents with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and

(e) During the Material Time, the Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets;

AND WHEREAS the Commission held a hearing in writing to consider, pursuant to sections 127 and 127.1 of the Act, whether it was in the public interest to make an order imposing sanctions on, and the payment of costs of the investigation and hearing by, the Respondents;

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 paragraph 2 of subsection 127(1), that trading in any securities or derivatives by the Respondents cease permanently;

(b) pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by the Respondents is prohibited permanently;

(c) pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

(d) pursuant to paragraph 6 of subsection 127(1), that Balazs be reprimanded;

(e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1), that Balazs resign any positions he holds as a director or officer of any issuer, registrant, or investment fund manager;

(f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1), that Balazs be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(g) pursuant to paragraph 8.5 of subsection 127(1), that Balazs be prohibited permanently from becoming or acting as a registrant, as an investment fund manager, or as a promoter;

(h) pursuant to paragraph 9 of subsection 127(1), that the Respondents pay an administrative penalty of $300,000, on a joint and several basis, as a result of their non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(i) pursuant to paragraph 10 of subsection 127(1), that the Respondents disgorge to the Commission CAD $1,543,924 and USD $311,667, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

(j) pursuant to section 127.1 of the Act, that the Respondents pay $233,013.75, on a joint and several basis, for the costs of the hearing.

DATED at Toronto, this 21st day of April, 2015.

"Alan J. Lenczner"

2.2.3 International Strategic Investments et al. – ss. 127, 127.1

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

AND

**IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS,
INTERNATIONAL STRATEGIC INVESTMENTS INC.,
SOMIN HOLDINGS INC., NAZIM GILLANI
AND RYAN J. DRISCOLL**

**ORDER
(Sections 127 & 127.1)**

WHEREAS on March 6, 2012, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), in connection with a Statement of Allegations filed by Staff of the Commission ("**Staff**") on March 5, 2012, in respect of International Strategic Investments, International Strategic Investments Inc., (together "**ISI**"), Somin Holdings Inc. ("**Somin**") (collectively, the "**Corporate Respondents**"), Nazim Gillani ("**Gillani**") and Ryan J. Driscoll ("**Driscoll**") (collectively, the "**Respondents**");

AND WHEREAS on December 12, 2013, the Commission converted this matter to a hearing in writing;

AND WHEREAS the parties made themselves available for cross-examinations, which occurred over the course of three hearing days;

AND WHEREAS on March 6, 2015, the Commission issued its Reasons and Decision on the merits in this matter and ordered that;

(a) Staff shall serve and file its written submissions on sanctions and costs by March 31, 2015;

(b) the Respondents shall serve and file their written submissions on sanctions and costs by April 24, 2015;

(c) Staff shall serve and file reply submissions on sanctions and costs, if any, by May 4, 2015;

(d) the hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, on May 13, 2015, at 10:00 a.m. or such further or other dates as agreed by the parties and set by the Office of the Secretary; and

(e) upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceedings.

AND WHEREAS Staff are not available on May 13, 2015, at 10:00 to attend the hearing to determine sanction and costs against the Respondents;

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

IT IS ORDERED THAT the hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario, on May 15, 2015, at 10:00 a.m. or such further or other dates as agreed by the parties and set by the Office of the Secretary.

DATED at Toronto this 22nd day of April, 2015.

"Alan J. Lenczner"

2.2.4 Portfolio Capital Inc. et al.

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

ORDER

WHEREAS on March 25, 2013, the Ontario Securities Commission ("the Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 25, 2013 with respect to Portfolio Capital Inc. ("Portfolio Capital"), David Rogerson ("Rogerson") and Amy Hanna-Rogerson ("Hanna-Rogerson") (collectively, the "Respondents");

AND WHEREAS Staff issued an Amended Statement of Allegations on June 4, 2013, and an Amended Amended Statement of Allegations on June 26, 2013;;

AND WHEREAS the hearing on the merits with respect to the allegations against the Respondents was held before the Commission on February 10, 12, 13, and 14 and June 24 and 25, 2014 (the "Merits Hearing");

AND WHEREAS following the Merits Hearing, the Commission issued its Reasons and Decision with respect to the merits on February 26, 2015;

AND WHEREAS on February 26, 2015, the Commission ordered that:

(a) Staff shall serve and file its written submissions on sanctions and costs by 4:00 p.m. on Friday, March 20, 2015;

(b) The Respondents shall serve and file their written submissions on sanctions and costs by 4:00 p.m. on Friday, April 10, 2015;

(c) Staff shall serve and file any reply submissions on sanctions and costs by 4:00 p.m. on Wednesday, April 15, 2015;

(d) The hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario on Monday, April 20, 2015, at 10:00 a.m., or on such further or other days as agreed by the parties and set by the Office of the Secretary; and

(e) In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

AND WHEREAS Staff served and filed its written submissions on sanctions and costs on March 19, 2015;

AND WHEREAS the Respondents have requested an extension of the deadline for them to serve and file their written submissions on sanctions and costs;

AND WHEREAS Staff has taken no position on this request;

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) The Respondents shall serve and file their written submissions on sanctions and costs by 12:00 p.m. on Wednesday, May 6, 2015;

(b) Staff shall serve and file any reply submissions on sanctions and costs by 12:00 p.m. on Wednesday, May 13, 2015;

(c) The hearing to determine sanctions and costs against the Respondents will be held at the offices of the Commission at 20 Queen Street West, Toronto, Ontario on Wednesday, May 20, 2015, at 10:00 a.m.; and

(d) In the event of the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 22nd day of April, 2015.

"Christopher Portner"

2.2.5 Paul Azeff et al.

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

AND

IN THE MATTER OF
PAUL AZEFF, KORIN BOBROW,
MITCHELL FINKELSTEIN, HOWARD JEFFREY MILLER
AND MAN KIN CHENG (a.k.a. FRANCIS CHENG)

ORDER

WHEREAS on August 14, 2014, Staff of the Ontario Securities Commission (the "Commission") filed a Fresh As Amended Statement of Allegations with respect to the respondents Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng) (collectively, the "**Respondents**") relating to a hearing to held pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

AND WHEREAS the hearing on the merits in this matter was held before the Commission over the course of 24 hearing days beginning on September 29, 2014 and concluding on December 15, 2014 ("**Merits Hearing**");

AND WHEREAS following the Merits Hearing, the Commission issued its Reasons and Decision on March 24, 2015, including findings against all of the Respondents;

AND WHEREAS the Commission issued an Order on March 24, 2015 scheduling the hearing to determine sanctions and costs on May 21, 2015 at 9:30 a.m. or such further or other dates as agreed by the parties and set by the Office of the Secretary;

AND WHEREAS certain of the Respondents and their counsel were unavailable on the May 21, 2015 date scheduled for the hearing on sanctions and costs;

AND WHEREAS all parties consent to an adjournment of the hearing to determine sanctions and costs from May 21, 2015 at 9:30 a.m. to June 17, 2015 at 9:30 a.m.;

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

IT IS HEREBY ORDERED that the hearing to determine sanctions and costs will be adjourned from May 21, 2015 at 9:30 a.m. to June 17, 2015 at 9:30 a.m., to be held at the offices of the Commission at 20 Queen Street West, 17th floor, Toronto, ON.

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

"Alan Lenczner"

"AnneMarie Ryan"

2.2.6 Sonomax Technologies Inc. – s. 144(1)

Headnote

Section 144(1) – Application to vary a cease trade order – cease trade order varied to permit beneficial shareholders, who are not insiders or control persons, to sell securities outside of Canada, subject to conditions.

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
SONOMAX TECHNOLOGIES INC.

ORDER
(Section 144(1) of the Act)

WHEREAS the securities of Sonomax Technologies Inc. (the "**Issuer**") are subject to a temporary cease trade order issued by the Director on July 10, 2014 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order issued by the Director on July 22, 2014 pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Cease Trade Order**"), directing that all trading in securities of the Issuer, whether direct or indirect, cease until further order by the Director;

AND WHEREAS a cease trade order with respect to the Issuer's securities was also issued by the Alberta Securities Commission on October 10, 2014, the Autorité des marchés financiers on July 23, 2014 and the British Columbia Securities Commission on July 8, 2014;

AND WHEREAS the Issuer's securities are not listed on and do not trade on any exchange in Canada;

AND WHEREAS as of April 22, 2015, the Issuer's securities trade on the OTC Pink Marketplace;

AND WHEREAS certain shareholders of the Issuer have made an application to the Commission pursuant to section 144(1) of the Act to vary the Cease Trade Order;

AND UPON the Director being satisfied that:

a) the terms and conditions to the Cease Trade Order put Ontario resident shareholders of the Issuer at a disadvantage to certain shareholders who are free to trade their shares on the OTC Pink Marketplace; and

b) it is not prejudicial to the public interest to vary the Cease Trade Order under section 144(1) of the Act;

IT IS ORDERED that, pursuant to section 144(1) of the Act, the Cease Trade Order be varied by including the following section:

Despite this order, a beneficial shareholder of Sonomax Technologies Inc., who is not, and was not at the date of this order, an insider or control person of Sonomax Technologies Inc., may sell securities of Sonomax Technologies Inc. acquired before July 10, 2014, if:

1. the sale is made through a market outside of Canada; and

2. the sale is made through an investment dealer registered in Ontario.

DATED this 28th day of April, 2015.

"Kathryn Daniels"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.2.7 Satish Talawdekar and Anand Hariharan – ss. 127(1), 127.1

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

AND

IN THE MATTER OF
SATISH TALAWDEKAR AND ANAND HARIHARAN

AND

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

ORDER
(Subsections 127(1) and 127.1)

WHEREAS on March 11, 2015 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "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"), and Staff of the Commission ("Staff") filed a statement of allegations (the "Statement of Allegations") in respect of Satish Talawdekar ("Talawdekar");

AND WHEREAS Talawdekar has entered into a Settlement Agreement with Staff dated March 6, 2015 (the "Settlement Agreement") in which Talawdekar agreed to a proposed settlement in relation to the matters set out in the Notice of Hearing and the Statement of Allegations;

AND WHEREAS in the Notice of Hearing the Commission announced that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement between Staff and Talawdekar;

AND WHEREAS Talawdekar has made payments of $90,000 and $5,000 in costs prior to the approval of the Settlement Agreement;

AND UPON the Commission having reviewed the Notice of Hearing, the Statement of Allegations, and the Settlement Agreement, and having heard submissions from counsel for Talawdekar and for Staff;

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

IT IS HEREBY ORDERED THAT:

(1) The Settlement Agreement is approved;

(2) Trading in any securities (including as the term is defined in subsection 76(6) of the Act) by Talawdekar whether direct or indirect, shall cease for a period of 10 years from the date of the order approving the Settlement Agreement;

(3) The acquisition of any securities by Talawdekar, including as the term "security" is defined in subsection 76(6) of the Act, whether direct or indirect, is prohibited for a period of 10 years from the date of the order approving the Settlement Agreement;

(4) After the payments set out in paragraphs 8, 9, 10 and 11, below, are made in full, as an exception to the provisions of paragraphs 2 and 3:

(a) trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities, bonds and guaranteed investment certificates for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans in which Talawdekar and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this agreement at the time he opens or modifies these accounts; and

(b) trading and the acquisition of any securities shall be permitted in the registered education savings plans account held at First Knowledge Financial for the benefit of Talawdekar's children, as long as Talawdekar neither holds nor exercises trading authority, influence or control in respect of the trading in the account, and such trading is carried out through First Knowledge Financial, to whom he must give a copy of this settlement forthwith;

(5) any exemptions contained in Ontario securities law do not apply to Talawdekar for a period of 10 years from the date of the order approving the Settlement Agreement;

(6) Talawdekar is reprimanded;

(7) Talawdekar is prohibited for a period of 10 years from the date of the order approving the Settlement Agreement from becoming or acting as a registrant, an investment fund manager, a promoter, or as a director or officer of any of those entities;

(8) Talawdekar shall disgorge to the Commission $11,673.60, being the profits obtained by him through the MDA trading as a result of his non-compliance with Ontario securities law. The disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(9) Talawdekar shall pay an administrative penalty of $23,000 for his failure to comply with Ontario securities law in respect of the MDA trading, which represents approximately two (2) times the profit made by the Respondent through that misconduct. The administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(10) Talawdekar shall pay an administrative penalty of $55,326.40 for his failure to comply with Ontario securities law in respect of the unlawful tip provided to Hariharan, which represents an amount equivalent to a substantial portion of the profit made by Hariharan as a result of Talawdekar's misconduct. The administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act; and

(11) Talawdekar shall also pay investigation costs to the Commission in the amount of $5,000.

DATED at Toronto, this 28th day of April 2015.

"Alan Lenczner"

2.2.8 Weizhen Tang – 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
WEIZHEN TANG

ORDER
(Subsections 127(1) and 127(10))

WHEREAS on September 30, 2013, 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") accompanied by a Statement of Allegations of Staff of the Commission ("Staff") dated September 30, 2013 with respect to Weizhen Tang ("Tang");

AND WHEREAS the Notice of Hearing stated that a hearing would be held at the offices of the Commission on November 13, 2013;

AND WHEREAS on November 13, 2013, Staff attended the hearing and filed the Affidavits of Service of Jeff Thomson sworn October 4, 2013 demonstrating personal service of the Notice of Hearing and Statement of Allegations on Tang;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife attended the hearing and addressed the Panel;

AND WHEREAS on November 13, 2013, Staff requested that the hearing be adjourned to January 2014;

AND WHEREAS the Commission ordered that the hearing be adjourned to January 21, 2014 at 10:00 a.m.;

AND WHEREAS on January 21, 2014, Counsel for Staff attended the hearing and filed the Affidavit of Service of Tia Faerber sworn January 17, 2014 as Exhibit "1" demonstrating service of the Commission's Order dated November 13, 2013 on Tang;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife, Hong Xiao, attended the hearing and addressed the Panel;

AND WHEREAS on January 21, 2014, Counsel for Staff requested that the hearing be adjourned to February 24, 2014;

AND WHEREAS on January 21, 2014, the Commission ordered that the hearing be adjourned to February 24, 2014 at 10:00 a.m.;

AND WHEREAS in advance of the hearing on February 24, 2014, Staff filed the Affidavit of Service of Tia Faerber, sworn February 18, 2014 demonstrating service of the Commission's Order dated January 21, 2014 on Tang;

AND WHEREAS on February 24, 2014, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife, Hong Xiao, attended the hearing and addressed the Panel;

AND WHEREAS the Commission ordered that the hearing be adjourned to October 27, 2014 at 2:00 p.m.;

AND WHEREAS in advance of the hearing on October 27, 2014, Staff filed the Affidavit of Alice Hewitt sworn October 22, 2014 demonstrating service of the Commission's Order dated February 24, 2014 on Tang;

AND WHEREAS on October 27, 2014, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS on October 28, 2014, the Commission ordered that the hearing be adjourned to April 27, 2015 at 9:00 a.m.;

AND WHEREAS in advance of the hearing on April 27, 2015, Staff filed the Affidavit of Service of Alice Hewitt sworn March 2, 2015 demonstrating service of the Commission's Order dated October 28, 2014 on Tang;

AND WHEREAS on April 27, 2015, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

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

IT IS ORDERED THAT the hearing is adjourned to September 14, 2015 at 10:00 a.m.

DATED at Toronto this 27th day of April, 2015.

"Christopher Portner"

2.2.9 Oversea Chinese Fund Limited Partnership et al. – ss. 127(7), 127(8)

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

AND

**IN THE MATTER OF
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,
WEIZHEN TANG AND ASSOCIATES INC.,
WEIZHEN TANG CORP. AND WEIZHEN TANG**

**TEMPORARY ORDER
(Subsections 127(7) and (8))**

WHEREAS on March 17, 2009, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") made the following temporary orders (the "Temporary Order") against Oversea Chinese Fund Limited Partnership ("Oversea"), Weizhen Tang and Associates Inc. ("Associates"), Weizhen Tang Corp. ("Corp.") and Weizhen Tang ("Tang"), (collectively, the "Respondents"):

1. that all trading in securities of Oversea, Associates and Corp. shall cease;

2. that all trading by the Respondents shall cease; and

3. that the exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on March 17, 2009, pursuant to subsection 127(6) of the Act, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on March 18, 2009, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on April 1, 2009 at 2:00 p.m.;

AND WHEREAS on April 1, 2009, the Commission ordered that the Temporary Order be extended, pursuant to subsection 127(8) of the Act, to September 10, 2009 and the hearing be adjourned to September 9, 2009;

AND WHEREAS on September 8, 2009, the Commission ordered, on consent, that the Temporary Order be extended until September 26, 2009 and the hearing be adjourned until September 25, 2009 at 10:00 a.m.;

AND WHEREAS on September 24, 2009, the Commission ordered, on consent, that the Temporary Order be extended until October 23, 2009 and the hearing be adjourned until October 22, 2009 at 10:00 a.m.;

AND WHEREAS on October 22, 2009, the Commission ordered, on consent, that the Temporary Order be extended until November 16, 2009 and the hearing be adjourned until November 13, 2009 at 10:00 a.m.;

AND WHEREAS on November 13, 2009, the Respondents brought a motion before the Commission to have the Temporary Order varied to allow Tang to trade (the "Tang Motion") and Staff of the Commission ("Staff") opposed this motion;

AND WHEREAS on November 13, 2009, Staff sought an extension of the Temporary Order until after the conclusion of the charges before the Ontario Court of Justice against Oversea, Associates and Tang;

AND WHEREAS on November 13, 2009, the Commission was of the opinion that, pursuant to subsection 127(8) of the Act, satisfactory information had not been provided to the Commission by any of the Respondents; it was in the public interest to order that the Tang Motion be denied; the Temporary Order be extended until June 30, 2010; and the hearing be adjourned to June 29, 2010 at 10:00 a.m.;

AND WHEREAS on June 29, 2010, the Commission ordered that the Temporary Order be extended until March 31, 2011, and the hearing be adjourned to March 30, 2011, at 10:00 a.m.;

AND WHEREAS on March 30, 2011, the Commission ordered that the Temporary Order was extended until May 17, 2011, and the hearing was adjourned to May 16, 2011 at 10:00 a.m.;

AND WHEREAS on May 16, 2011, Staff made submissions and sought an extension of the Temporary Order and the Respondent Tang appeared on behalf of all Respondents and made submissions opposing the extension of the Temporary Order;

AND WHEREAS on May 16, 2011, the Commission concluded pursuant to subsection 127(8) of the Act that satisfactory information had not been provided to the Commission by any of the Respondents and the Commission ordered that the Temporary Order be extended until November 1, 2011 and the hearing be adjourned to October 31, 2011 at 10:00 a.m.;

AND WHEREAS on October 31, 2011, the Commission concluded pursuant to subsection 127(8) of the Act that satisfactory information was not provided by any of the Respondents, the Commission advised Tang that the Respondents could bring a motion under section 144 of the Act to vary the Temporary Order prior to the next hearing date and ordered that the Temporary Order be extended to September 24, 2012 and that the hearing be adjourned to September 21, 2012, at 10:00 a.m.;

AND WHEREAS on September 21, 2012, the Commission ordered that the Temporary Order be

extended to January 21, 2013 and that the hearing be adjourned to January 18, 2013 at 10:00 a.m.;

AND WHEREAS on January 18, 2013, the Commission ordered that the Temporary Order be extended until February 4, 2013 and the hearing of this matter be adjourned to February 1, 2013 at 2:00 p.m.;

AND WHEREAS on February 1, 2013, the Commission ordered that the Temporary Order be extended until February 6, 2013 and the hearing of this matter be adjourned to February 5, 2013 at 9:30 a.m.;

AND WHEREAS on February 5, 2013, the Commission ordered that the Temporary Order be extended until August 1, 2013 and the hearing of this matter be adjourned to July 31, 2013 at 10:00 a.m. without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on July 31, 2013, the Commission ordered that the Temporary Order be extended until August 23, 2013 and the hearing of this matter be adjourned to August 21, 2013 at 10:00 a.m. without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on August 21, 2013, the Commission ordered that the Temporary Order be extended until October 2, 2013 and the hearing of this matter be adjourned to September 30, 2013 at 1:00 p.m. without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on September 30, 2013, the Commission ordered that the Temporary Order be extended until November 25, 2013 and the hearing of this matter be adjourned to November 21, 2013 at 10:00 a.m. without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on October 3, 2013, Tang was personally served with the Order of September 30, 2013;

AND WHEREAS on November 21, 2013, Staff appeared before the Commission to request an extension of the Temporary Order and Hong Xiao appeared to speak on behalf of her husband, Tang;

AND WHEREAS On November 21, 2013, the Commission ordered that the Temporary Order be extended until January 23, 2014 and the hearing of this matter be adjourned to January 21, 2014 at 10:00 a.m. without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on January 21, 2014, Counsel for Staff attended the hearing and filed the Affidavit of Service of Tia Faerber, sworn January 17, 2014 as Exhibit "1" to the proceedings, demonstrating service of the Commission's Order dated November 21, 2013 on Tang;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife, Hong Xiao, attended the hearing to speak on behalf of her husband, Tang;

AND WHEREAS on January 21, 2014, Counsel for Staff requested an extension of the Temporary Order;

AND WHEREAS on January 21, 2014, the Commission ordered that the Temporary Order be extended to February 25, 2014 and the hearing of this matter be adjourned to February 24, 2014 at 10:00 a.m., without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS in advance of the hearing on February 24, 2014, Staff filed the Affidavit of Service of Tia Faerber, sworn February 18, 2014 demonstrating service of the Commission's Order dated January 21, 2014 on Tang;

AND WHEREAS on February 24, 2014, Counsel for Staff attended the hearing to request an extension of the Temporary Order;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS Tang's wife, Hong Xiao, attended the hearing to speak on behalf of her husband, Tang;

AND WHEREAS on February 24, 2014, the Commission ordered that the Temporary Order be extended to October 30, 2014 and the hearing of this matter be adjourned to October 27, 2014 at 2:00 p.m., without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on February 26, 2014, Tang was personally served with the Order of February 24, 2014;

AND WHEREAS on October 27, 2014, Counsel for Staff appeared before the Commission to request an extention of the Temporary Order;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

AND WHEREAS on October 28, 2014, the Commission ordered that the Temporary Order be extended to April 30, 2015 at 12:00 p.m. and the hearing of this matter be adjourned to April 27, 2015 at 9:00 a.m., without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act;

AND WHEREAS on November 10, 2014, Tang was personally served with the Order of October 28, 2014;

AND WHEREAS on April 27, 2015, Counsel for Staff appeared before the Commission to request an extension of the Temporary Order;

AND WHEREAS Tang did not attend the hearing nor was he represented by counsel;

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

IT IS ORDERED THAT the Temporary Order is extended to September 18, 2015 and the hearing of this matter is adjourned to September 14, 2015 at 10:00 a.m., without prejudice to the Respondents to bring an application to vary the Temporary Order pursuant to section 144 of the Act.

DATED at Toronto this 27th day of April, 2015.

"Christopher Portner"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Bluestream Capital Corporation et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION,
BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP.,
1859585 ONTARIO LTD. (OPERATING AS SOVEREIGN INTERNATIONAL INVESTMENTS)
AND PETER BALAZS

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 127 and 127.1 of the Securities Act)

Hearing:	In writing		
Decision:	April 21, 2015		
Panel:	Alan J. Lenczner	–	Commissioner and Chair of the Panel
Submissions by:	Christie Johnson	–	For the Ontario Securities Commission

REASONS AND DECISION ON SANCTIONS AND COSTS

[1] By Reasons and Decision dated March 4, 2015, I found that Bluestream Capital Corporation, Bluestream International Investments Inc., Krown Consulting Corp., 1859585 Ontario Ltd. (operating as Sovereign International Investments) (together, the "Corporate Respondents") and Peter Balazs ("Balazs") (collectively, the "Respondents") breached sections 25 and 53 of the Ontario *Securities Act* (the "Act") in that they traded in securities without being registered to do so and without filing a prospectus.

[2] I found that the Respondents engaged or participated in fraudulent practices depriving investors of substantial sums of money contrary to subsection 126.1(1)(b) of the Act.

[3] I further found by authorizing, permitting or acquiescing in the non-compliance of the Corporate Respondents with Ontario securities law that Balazs failed to comply with Ontario securities law, contrary to section 129.2 of the Act.

[4] I also found that the Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

[5] I now propose to address the appropriate sanctions that should be administered. None of the Respondents appeared or participated in the written merits hearing. None of the Respondents has filed any written submissions with respect to sanctions. The only written submissions were those of Staff.

[6] Owing to the complete absence of any involvement of the Respondents in the Commission proceedings, there is no evidence of any remorse or of any mitigating factors that should apply to my consideration of the appropriate sanctions.

[7] By virtue of their activities, in breach of the sections of the Act mentioned above, the Respondents solicited and accepted investments from Ontario residents between August 2008 and May 2012 garnering for themselves approximately CAD $2,620,815 and USD $907,097. Of the funds raised, only CAD $1,076,891 and USD $595,430 was paid back to investors.

[8] Sections 25 and 53 are at the core of the regulatory objective of the Act. They prescribe the gatekeeper function that enables the Commission to ensure that persons who trade in securities are skilled, knowledgeable and of good character and integrity. The prospectus requirements provide for the protection of investors in that they receive full, true and plain disclosure of the affairs of the company and of the securities that are being offered. Non-compliance with these sections undermines the very purposes of the Act.

[9] Obtaining investors' monies by deceit and fraudulent misrepresentations aggravates the non-compliance with the sections of the Act. Those practices indicate an intent to scoff at the law and to behave in an egotistical, anarchical fashion.

[10] Given the gravity of the breaches of the Act by the Respondents and the misconduct involved, the public interest requires that the Respondents be barred from the public markets permanently, disgorge the monies received by them from their fraudulent conduct, and, in addition, pay an administrative penalty and costs as a general deterrent.

[11] I will issue a separate order giving effect to my decision on sanctions and costs as follows:

(a) pursuant to paragraph 2 of subsection 127(1), that trading in any securities or derivatives by the Respondents cease permanently;

(b) pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by the Respondents is prohibited permanently;

(c) pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

(d) pursuant to paragraph 6 of subsection 127(1), that Balazs be reprimanded;

(e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1), that Balazs resign any positions he holds as a director or officer of any issuer, registrant, or investment fund manager;

(f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1), that Balazs be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(g) pursuant to paragraph 8.5 of subsection 127(1), that Balazs be prohibited permanently from becoming or acting as a registrant, as an investment fund manager, or as a promoter;

(h) pursuant to paragraph 9 of subsection 127(1), that the Respondents pay an administrative penalty of $300,000, on a joint and several basis, as a result of their non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(i) pursuant to paragraph 10 of subsection 127(1), that the Respondents disgorge to the Commission CAD $1,543,924 and USD $311,667, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

(j) pursuant to section 127.1 of the Act, that the Respondents pay $233,013.75, on a joint and several basis, for the costs of the hearing.

DATED at Toronto this 21st day of April, 2015.

"Alan J. Lenczner"

3.1.2 Bryan Andrew Vickers – ss. 8(3), 21.7

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

AND

IN THE MATTER OF
BRYAN ANDREW VICKERS

AND

IN THE MATTER OF
A HEARING AND REVIEW OF A DECISION OF A PANEL OF
THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA,
DATED JUNE 19, 2014

REASONS AND DECISION
(Section 21.7 and Subsection 8(3) of the Act)

Hearing:	December 16, 2014		
Decision:	April 24, 2015		
Panel:	Christopher Portner	–	Commissioner
Counsel:	Jeremy Devereux	–	For Bryan Andrew Vickers
	Andrew P. Werbowski Alexandra Clark	–	For the Investment Industry Regulatory Organization
	Jennifer Lynch	–	For the Ontario Securities Commission

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REASONS AND DECISION

I. BACKGROUND

A. Introduction

[1] On December 16, 2014, the Ontario Securities Commission (the "**Commission**") held a hearing to consider an application made by Bryan Andrew Vickers ("**Vickers**") dated July 17, 2014 (the "**Application**") under section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") for a hearing and review of a decision of a hearing panel (the "**Panel**") of the Investment Industry Regulatory Organization of Canada ("**IIROC**") dated June 19, 2014 (the "Decision").

[2] The Decision was issued by the Panel following a sanctions hearing (the "**Hearing**") that was based on an Agreed Statement of Facts dated June 9, 2014 (the "**Agreed Statement of Facts**").

[3] In the Agreed Statement of Facts, Vickers admitted that, from April 2010 to August 2011, he failed to adequately supervise a registered representative, Derek Axford ("**Axford**"), and certain of his client accounts, when Axford recommended certain inverse exchange-traded funds (the "**IETFs**") to clients, contrary to IIROC Dealer Member Rule 38.4.

[4] Paragraph (a) of IIROC Dealer Member Rule 38.4 states that:

> A Supervisor must fully and properly supervise each partner, Director, Officer, Registered Representative, Investment Representative or agent in accordance with the supervisory responsibilities assigned to the Supervisor, the Rules of the Corporation and the written policies and procedures of the Dealer Member so as to ensure their compliance with the Rules of the Corporation and all other laws, regulations and policies applicable to the Dealer Member's securities and commodity futures business.

[5] The IETFs involved were the Horizons BetaPro S&P/TSX 60 Inverse ETF (the "Horizons IETF") and the ProShares Short S&P 500 (the "ProShares IETF"), each of which was issued pursuant to a prospectus. The prospectus for the Horizons IETF described the fund as highly speculative and involving a high degree of risk. The prospectus for the ProShares IETF at the relevant time stated that the fund may not be suitable for all investors and should only be used by knowledgeable investors.

[6] In the Decision, the Panel ordered that Vickers:

(a) Pay a fine of $30,000;

(b) Be prohibited or suspended from becoming a Supervisor for a period of six months; and

(c) Re-write the Supervisor's course before again becoming a Branch Manager.

Counsel for IIROC and Vickers agreed that Vickers would pay $3,000 for costs.

B. The Application

[7] Vickers applied for a hearing and review of the Decision by the Commission on the following grounds:

(a) The Panel erred in law and proceeded on incorrect principles in basing its decision to a significant extent on facts and conduct that were not admitted in the Agreed Statement of Facts and not otherwise admissible;

(b) The Panel's reasons are inadequate in the circumstances; and

(c) The Panel erred in law and proceeded on incorrect principles in imposing sanctions that are disproportionate to the facts and conduct agreed upon in the Agreed Statement of Facts.

C. IIROC's Rules Notice – Guidance Note

[8] On June 11, 2009, IIROC issued a Rules Notice/Guidance Note entitled *Sales Practice Obligations Relating to Leveraged and Inverse Exchange-Traded Funds* (the "**Guidance Note**"). As stated in paragraph 34 of IIROC's Written Submissions:

> The [Guidance Note] was, on its face, intended to be distributed internally to "Legal and Compliance, Retail, Senior Management and Training" personnel. The Agreed Statement of Facts does not refer to the Guidance Note.

II. THE ISSUES

[9] In considering the Application, we will address the following issues:

(a) The Commission's jurisdiction to intervene in this matter;

(b) The appropriate standard of review under section 21.7 of the Act;

(c) Whether the Applicant has established any of the grounds on which the Commission may intervene in the Decision; and

(d) If there are grounds to intervene in the Decision, what the appropriate disposition of the matter by the Commission should be in the circumstances.

III. SUBMISSIONS OF THE PARTIES

A. Applicant's Submissions

[10] The Applicant submits that the Panel committed three errors set out below which justify and require the intervention of the Commission.

1. Sanctions Were Based on Facts and Contraventions That Were Not Admitted

[11] Vickers submits that the Panel committed an error in law and in principle by basing its decision on facts and contraventions that were not contained in the Agreed Statement of Facts and were not otherwise admissible. Vickers submits that the legal principles surrounding agreed statements of facts are clear and that courts have consistently held that triers of fact are bound by agreed statements of facts.

[12] Vickers submits that civil courts have held that, when the parties have entered into an agreed statement of facts, the court should not go beyond those facts, with the possible exception of limited inferences drawn from the agreed upon facts and relies in this regard on *Brown v Dalhousie University*, [1995] NSJ No 264 at para 27 (CA).

[13] Vickers further submits that the binding nature of an agreed statement of facts is even clearer in criminal cases in which the prosecution and the accused have agreed on facts and the accused has pleaded guilty based on those facts. He cites the case of *R v Druken*, [2006] NJ No 326 at para. 18 (CA) ("***Druken***"), in which Justice M. Rowe of the Newfoundland and Labrador Court of Appeal stated as follows:

> Counsel must provide sufficient facts to permit the sentencing judge to determine whether the sentence is reasonable in the circumstances. The court is bound by the agreed statement of facts; the sentencing judge cannot 'find' additional facts. As well, any inferences the judge may draw must follow clearly from what is set out in the agreed statement. [Emphasis added.]
>
> (*Druken*, *supra* at para. 18)

[14] Vickers submits that the principles derived from civil and criminal cases are applicable to discipline hearings such as the current proceeding and cites the case of *McGarrigle v Canadian Interuniversity Sport*, [2003] OJ No 1842 ("***McGarrigle***") at para. 42 (SCJ), in which the Ontario Superior Court of Justice held that when parties to a disciplinary proceeding have entered into an agreed statement of facts, those are "the only facts regarding the alleged improper conduct" of the respondent that the panel is "allowed to consider".

[15] Vickers further submits that it is against the public interest for a discipline panel to go beyond an agreed statement of facts. Agreed statements of facts and admissions of contraventions result in a substantial savings of time and resources and as such are in the public interest. Vickers emphasizes that registrants will be far less likely to rely on agreed facts and contraventions if there is a risk that the panel will consider matters outside the agreed facts and contraventions and impose sanctions greater than would be supported by the agreed facts and contraventions.

[16] Vickers submits that the Panel "found" multiple facts and contraventions that went beyond the Agreed Statement of Facts when there was no basis on which it was entitled to do so in the following five instances:

(a) The Panel referred to and quoted from statements relating to the risks of IETFs in the Guidance Note in its recitation of the facts. The Agreed Statement of Facts made no reference to the Guidance Note and did not indicate whether or not Vickers had knowledge of it. In addition, counsel for IIROC had pointed out to the

Panel that the Guidance Note was not before the Panel, there was no evidence that the Guidance Note had been seen and ignored or not seen at all and it should not be a factor in this matter.

(b) In its assessment of Vickers's conduct, the Panel held that, if Vickers knew what the Guidance Note stated, his conduct showed a "serious error of judgement" and that, if he did not know, he was "at least negligent" in not knowing.

(c) The Panel's conclusions regarding the Guidance Note are premised on the statements in the Guidance Note about the risks of IETFs being correct when no such admission was made.

(d) The Panel held that, if Vickers knew what the prospectuses for the Horizons IETF and the ProShares IETF (collectively, the "**Prospectuses**") stated, his conduct showed a "serious error of judgment" and that, if he did not know, he was "at least negligent" in not knowing. No such admission was included in the Agreed Statement of Facts.

(e) The Panel's conclusions regarding the Prospectuses are premised on the statements in the Prospectuses about the specific risks of the IETFs being correct when no such admission was made.

[17] Vickers submits that it is clear from the Decision that the Panel's findings with respect to the Guidance Note and the language of the Prospectuses formed a significant part of the Panel's assessment of Vickers's conduct and, accordingly, had a significant effect on the Panel's decision relating to sanctions. Moreover, the Panel's references to Vickers's conduct as being either "at least negligent" or that it showed a "serious error of judgment" demonstrates that the Panel considered the Guidance Note and the language of the Prospectuses to be very significant. Vickers further submits that he only admitted what the Prospectuses stated and not that such statements were correct and that there was no admission on his part that the IETFs were unsuitable for clients based on the Prospectuses.

[18] Vickers acknowledges that a court or tribunal may draw inferences from an agreed statement of facts, however, any such inferences must follow "clearly" or "necessarily" from the agreed facts and not be "simply possibilities that are consistent with the agreed facts". (*Druken*, *supra* at para 18.) He argues that the Guidance Note was not admissible by way of inference as it is a stand-alone document whose existence and contents do not follow from the Agreed Statement of Facts. Similarly, the Panel's conclusions with respect to Vickers's conduct in light of the Guidance Note and statements in the Prospectuses do not follow clearly or necessarily from the facts and contraventions that were agreed upon.

[19] Vickers submits that the unadmitted facts are not admissible through judicial notice. He submits that the Commission in *Re Northern Securities Inc.* (2014) 37 OSCB 161 ("***Re Northern***") held that judicial notice may only be taken of facts which are so notorious as to not be the subject of dispute among reasonable persons, or facts capable of immediate and accurate demonstration by resorting to readily accessible sources of indisputable accuracy. It is Vickers's position that the technical statements about risks of the specific IETFs in the Prospectuses do not satisfy the foregoing standard of indisputable accuracy and that Vickers never admitted that the statements in the Prospectuses were correct.

[20] Vickers further submits that the Panel was not permitted to take judicial notice of the statements in the Guidance Note or the correctness of the statements in the Prospectuses as the basis for finding fault on his part.

[21] Vickers submits that the unadmitted facts are not admissible based on the expertise of the Panel. While he acknowledges the ability of expert panels to rely on their specialized industry knowledge, he submits that the unadmitted facts are matters of technical evidence and the Panel was not entitled to admit such evidence on the basis of its specialized industry knowledge.

2. The Panel's Reasons Are Inadequate

[22] Vickers submits that the Panel erred in law and in principle by failing to provide adequate reasons. He submits that the Panel's reasons do not provide a sufficient basis for understanding why the Panel imposed the sanctions set out in the Decision.

[23] Vickers states that the Panel did not compare Vickers's conduct to that of the registrants in prior discipline cases notwithstanding the detailed submissions by counsel for each of IIROC and Vickers with respect to the case law, most of which in Vickers's submission was favourable to him, and only referred in a general way to the IIROC Dealer Member Disciplinary Sanction Guidelines (the "**Sanction Guidelines**").

[24] Vickers submits that the reasons of the Panel are so inadequate as to foreclose a meaningful review by the Commission resulting in an error of law requiring the Commission to substitute its own findings for those of the Panel or, in the alternative, direct a new hearing.

3. The Sanctions Are Disproportionate to the Conduct Admitted

[25] Vickers submits that the suspension and fine imposed by the Panel are disproportionate to the conduct admitted and unfair and amount to errors of law and principle.

[26] Vickers submits that, when viewed in the light of the Sanction Guidelines and previous manager supervision cases of IIROC and one of its predecessor organizations, the Investment Dealers Association of Canada, this is not an appropriate case for a suspension. He further submits that, when compared to Axford whose conduct is at the root of the matter at issue, his suspension, although only of supervisory responsibilities, is of a longer duration.

[27] Vickers refers to the case of *Re Mills*, [2001] IDACD No 7 ("***Re Mills***"), which was cited by Staff in its submissions to the Panel, in which the hearing panel stated as follows:

> As it has previously stated, in deciding on an appropriate penalty the District Council's main concerns are protection of the investing public, the Association's membership and the integrity of the Association's processes and the securities market. … A penalty imposed by the District Council thus reflects its assessment of the sanctions necessary in the case before it to accomplish these goals, taking into account the seriousness of the respondent's conduct and specific and general deterrence.
>
> (*Re Mills*, *supra* at para. 56.)

[28] Vickers submits that the sanctions imposed on him are inappropriate in terms of the needs of either, or both, specific and general deterrence and that sanctions "must be proportionate to the specific conduct of the respondent, and the particular circumstances of the respondent including, for instance, the size of the respondent and the impact sanctions may have. The failure to impose proportionate sanctions constitutes an error in principle or in law within the meaning of *Canada Malting*[1]." (*Re Northern*, *supra* at para. 78.)

B. IIROC Staff Submissions

1. The Guidance Note

[29] IIROC Staff acknowledges that notices such as the Guidance Note "are not enforceable in the same manner as a prescriptive Rule or Policy would be and did not make such a submission during oral argument." (Written Submissions of IIROC at para. 35.)

[30] IIROC Staff submits that a hearing panel "may have regard to a Rules Notice", which would include the Guidance Note, whether or not it is included in an agreed statement of facts and that this is no different than a hearing panel referring to a Dealer Member Rule, a Universal Market Integrity provision, a National Instrument or a Staff Notice of a provincial securities commission. (Written Submissions of IIROC at para. 36.)

[31] IIROC Staff also submits that the *Re Euston Capital* decision[2] of the Alberta Securities Commission (the "**ASC**"), in which the ASC considered the text of a Companion Policy in connection with the alleged sale of securities to individuals who did not qualify as accredited investors, is relevant. In its decision, the ASC stated that "Companion policies do not set standards, but provide general guidelines for the assistance of sellers of securities ...". In the view of IIROC Staff, the Panel was "equally permitted to refer to a Guidance Note which, as the name suggests, forms part of the guidance made available to supervisory personnel to assist them in their assessment of product risk." (Written Submissions of IIROC at para. 38.)

[32] Finally on the issue of the Guidance Note, IIROC Staff makes the following submission which is reproduced in its entirety given the importance of the issue in this matter:

> While it may have been more appropriate for the IIROC Hearing Panel to heed the admonitions of counsel that it was permissible but not necessary for them to consider the Guidance Note, the Hearing Panel's reference to it was not sufficient to constitute an error of law such that the Sanction Decision, as a whole, must be set aside. This is particularly the case where, as described above, there were other facts in evidence which led to precisely the same conclusion.
>
> (Written Submissions of IIROC at para. 42.)

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1 As defined in paragraph [49] below.

2 *Re Euston Capital Corp.* 2007 ABASC 75 at para. 109.

2. IETF Prospectus Statements

[33] IIROC Staff submits that the Agreed Statement of Facts sets out in detail the disclaimers and warnings regarding the complex nature and risk factors associated with the two IETFs. In the Agreed Statement of Facts, Vickers makes the following statements regarding the inquiries made by the Compliance Department of his employer, RBC Dominion Securities Inc. ("**RBC DS**"), relating to Axford's investment strategy and the fact that most, if not all, of Axford's accounts were concentrated in the two IETFs and in a fixed income fund:

> 40. In response, Vickers' Assistant Branch Manager on behalf of Vickers, advised the Compliance department that he and Vickers were aware of these issues and were continuing to review them with Axford.
>
> 41. Vickers had a detailed discussion with Axford wherein Axford again explained his strategy. In response to an inquiry from Compliance, Axford explained his strategy in writing. Vickers reviewed the written explanation and asked that Axford add to it the explanation he gave to his clients. The explanation offered by Axford did not refer to the statements in the prospectuses for the IETFs regarding risk.
>
> (Agreed Statement of Facts, paras. 40 and 41.)

[34] IIROC Staff states that the Panel correctly noted in the Decision that the Agreed Statement of Facts does not indicate what knowledge Vickers had of the contents of the Prospectuses. However, they submit that the Panel was entitled to rely on a statement by Vickers's counsel in response to a question from the Panel by which he acknowledged that Vickers was not aware of the contents of the Prospectuses.

[35] In his oral submissions to the Commission, IIROC Staff's counsel stated that the prospectus issue is the "linchpin of Staff's case"[3]. It is IIROC Staff's position that the matter of the Guidance Note is not an essential element of the case because the description of the risks of IETFs included in the Guidance Note is set out in the Prospectuses and described in the Agreed Statement of Facts and, as a result, was properly before, and considered by, the Panel.

3. The Sanctions Were Not Inappropriately Severe

[36] IIROC Staff submits that the sanctions imposed on Vickers were not inappropriately severe and fall squarely within the ranges provided by the Sanction Guidelines. IIROC Staff submits that the relevant precedents were before the Panel which weighed the facts of this matter against such precedents and that Vickers is merely requesting that the Commission reweigh the facts and evidence, which is not the role of the Commission.

[37] IIROC Staff submits that, in any event, the Panel's analysis and the results of that analysis are reasonable and that it was acceptable for the Panel to consider specific and general deterrence as a sanctioning factor and that certain IIROC hearing panels continue to cite *Re Mills* while others cite *Re Cartaway Resources Corp.*, 2004 SCC 26 ("***Cartaway***"), a decision that post-dates *Re Mills*. In *Cartaway*, the Supreme Court of Canada held that general deterrence may be taken into account.

[38] Finally, IIROC Staff submits that the reasons must be sufficient to satisfy the criteria of justification, transparency and intelligibility and refers to the decision of the Supreme Court of Canada in *Newfoundland and Labrador Nurses' Union v. Newfoundland and Labrador (Treasury Board)*, [2011] SCJ No 62 ("***Newfoundland Nurses***") in which the Court stated:

> … reasons must be sufficient to permit the parties to understand why the tribunal made the decision and to enable judicial review of that decision. The reasons should be read as a whole and in context, and must be such as to satisfy the reviewing court that the tribunal grappled with the substantive live issues necessary to dispose of the matter.
>
> (*Newfoundland Nurses*, *supra* at para. 9, citing *Dunsmuir v. New Brunswick*, 2008 SCC 9.)

C. OSC Staff Submissions

[39] Staff of the Ontario Securities Commission ("**OSC Staff**") submits that, when the parties put an agreed statement of facts before the court, both the parties and the court are bound by those facts and may not depart from them. (*R. v. Bayani*, [2011] OJ No 4368 at para. 139 (SCJ), *Brown v Dalhousie University*, [1995] NSJ No 264 at para. 27 (CA), *Chenier v Stephens*, [2000] OJ No 2721 at paras. 11-12 (SCJ).)

[3] Transcript p. 106 at line 21.

[40] OSC Staff also submits that the same principle applies to administrative tribunals and that the Panel was bound by the Agreed Statement of Facts and should only have considered the facts set out in the Agreed Statement of Facts, which did not include any reference to the Guidance Note.

[41] OSC Staff also takes the position that, like the courts, administrative tribunals may take judicial notice of certain facts, however:

> "… the threshold for judicial notice is strict: a court may properly take judicial notice of facts that are either: (1) so notorious or generally accepted as to be not the subject of debate among reasonable persons; or (2) capable of immediate and accurate demonstration by resort to readily accessible sources of indisputable accuracy;
>
> (*R v Find*, [2001] 1 SCR 863 at para. 48 ("***Find***").)

[42] OSC Staff submits that it is a well-established principle that, if a court or tribunal is going to take judicial notice, it must give the parties an opportunity to make submissions and rely in this regard on *Judicial Review of Administrative Action in Canada* in which the authors state as follows:

> The general rule proscribing ex parte evidence-gathering is qualified, however, to the extent that it is permissible for administrative adjudicators to make use of information that can be judicially noticed … And because tribunals have often been established in order to provide more specialized decision-making, and sometimes escape the adversarial procedural model of the court, it may be that their members may take notice of a wider range of information than that within the narrowly-circumscribed scope of judicial notice. As well, of course, tribunal members may draw on their experience to assist them in assessing the evidence that they have heard, including their awareness of relevant published material that may suggest principles to guide them in the exercise of their discretion.
>
> (Brown & Evans, *Judicial Review of Administrative Action in Canada*, Volume 3, Carswell, 2013 (looseleaf) at Chap. 12:2110.)

[43] It is the position of OSC Staff that the Panel appears to have taken judicial notice of the Guidance Note as it was not referred to in the Agreed Statement of Facts and was not entered into evidence at the hearing before the Panel. As a result, OSC Staff submits that the Panel erred in taking judicial notice as the Guidance Note did not meet the test of notoriety or general acceptance set out in *Find* (see paragraph [41] above.)

[44] With respect to the sufficiency of the reasons, OSC Staff submits that the test for determining whether the reasons of an administrative tribunal are sufficient were set out in *Clifford v Ontario Municipal Employees Retirement System*, [2009] OJ No 3900 ("***Clifford***") in which the Court of Appeal of Ontario stated:

> The basis of the decision must be explained and this explanation must be logically linked to the decision made. This does not require that the tribunal refer to every piece of evidence or set out every finding or conclusion in the process of arriving at the decision.
>
> (*Clifford*, *supra* at para. 20.)

[45] OSC Staff submits that the Panel erred in law in considering the Guidance Note and that the Commission should send the matter to a newly-constituted IIROC hearing panel for re-consideration. It is further submitted that, if in the alternative, the Commission decides to determine the matter, the sanctions imposed by the Panel were not disproportionate to the conduct admitted to in the Agreed Statement of Facts.

IV. ANALYSIS OF SUBSTANTIVE ISSUES RAISED ON THE APPLICATION

A. Jurisdiction to Intervene

[46] The Commission has the authority to review any direction, decision, order or ruling of a self-regulatory organization such as IIROC under section 21.7 of the Act which provides as follows:

> **21.7 (1) Review of Decisions** – The Executive Director or a person or company directly affected by, or by the administration of, a direction, decision, order or ruling made under a by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized stock exchange, recognized self-regulatory organization, recognized quotation and trade reporting system or recognized clearing agency may apply to the Commission for a hearing and review of the direction, decision, order or ruling.

> **(2) Procedure** – Section 8 applies to the hearing and review of the direction, decision, order or ruling in the same manner as it applies to a hearing and review of a decision of the Director.

[47] Subsection 8(3) of the Act provides that, on a hearing and review, the Commission may confirm the decision under review or make such other decision as the Commission considers proper.

B. Standard of Review and Grounds for Intervention

[48] The Commission exercises original jurisdiction similar to conducting a new trial and may admit new evidence in a hearing and review under section 21.7 of the Act.

[49] The grounds on which the Commission will intervene in a decision of a self-regulatory organization were established in *Canada Malting Co. (Re)* (1986), 9 OSCB 3565 ("***Canada Malting***"). Based on *Canada Malting*, Vickers must meet the burden of demonstrating that his case fits squarely within at least one of the following grounds before the Commission will intervene in the Decision:

> (a) The Panel proceeded on an incorrect principle;
>
> (b) The Panel erred in law;
>
> (c) The Panel overlooked material evidence;
>
> (d) New and compelling evidence is presented to the Commission that was not before the Panel; or
>
> (e) The Panel's perception of the public interest conflicts with that of the Commission.
>
> (*Canada Malting*, *supra* at para. 21; *Hudbay Minerals Inc. (Re)* (2009), 32 OSCB 3733 ("***Hudbay***") at para. 114).

[50] Although the scope of the Commission's authority on a hearing and review is well established, in practice, the Commission takes a restrained approach to applications under section 21.7 of the Act, and will only substitute its decision for that of an IIROC hearing panel in rare circumstances (*Investment Dealers Assn. of Canada v Kasman* (2009) 32 OSCB 5729 at para. 43; *Hudbay*, *supra* at paras. 103, 104 and 114.)

[51] In addition to its restrained approach to applications under section 21.7 of the Act, the Commission recognizes the specialized expertise of an IIROC hearing panel and accords deference to factual determinations central to the panel's specialized competence (*Re Boulieris* (2004), 27 OSCB 1597, aff'd (2005), 28 OSCB 5174 (Div Ct); *Re Northern Securities*, *supra* at para. 61; *Re Questrade Inc.* (2011), 34 OSCB 2595 at paras. 16-17; and *Re Kasman* (2009), 32 OSCB 5729 at para. 43). The Commission accords even greater deference in matters of sanctions, and recognizes that IIROC hearing panels will have greater familiarity with IIROC's regulations and sanction guidelines than the Commission (*Re Benarroch* (2011), 34 OSCB 2041 at paras. 4 and 5).

C. Analysis

1. Were the sanctions based on facts and conduct that were not admitted in the Agreed Statement of Facts

[52] The Guidance Note was distributed internally by members of IIROC and forms part of the guidance made available to supervisory personnel to assist them in their assessment of product risk (see paragraphs [8] and [31] above.)

[53] As acknowledged by IIROC Staff, notices such as the Guidance Note are not enforceable in the same manner as a prescriptive rule or policy (see paragraph [29] above.)

[54] It is quite clear from their respective terms that the Agreed Statement of Facts did not include any mention of the Guidance Note and that the Decision not only mentioned the Guidance Note but also included an extensive excerpt from the Guidance Note that stated, among other things, that:

> … leveraged and inverse ETFs that are reset daily typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets.
>
> (Decision, para. 17.)

[55] In addition, the Decision effectively states that, if Vickers had known what the Guidance Note stated, "his conduct showed a serious error of judgment" and, if he did not know what the Guidance Note stated, "he was at least negligent in not knowing".

[56] IIROC Staff takes the position that an IIROC hearing panel "may have regard to a Rules Notice", which would include the Guidance Note, whether or not it is included in the Agreed Statement of Fact, and likens it, among other things, to a Staff Notice of a provincial securities commission. Staff notices are described in *Securities Law in Canada* (2010) as follows:

> Staff notices are a mechanism for the CSA or provincial regulatory staff to communicate with market participants in a less formal manner, often in relation to emerging regulatory problems that have not yet become the subject of a policy or a rule. Notices are also used to convey to the market the results of staff investigations into how specific issues are handled by market actors, such as executive compensation disclosure or specific accounting issues. [Emphasis added.]
>
> (Condon et al. *Securities Law in Canada* (Toronto: Edmond Montgomery Publications, 2010) at p. 26.)

[57] Both Vickers and OSC Staff take the position that the Panel was bound by the Agreed Statement of Facts and should only have considered the facts set out in the Agreed Statement of Facts which would preclude any reference to the Guidance Note.

[58] In my view, the case law is clear. As stated by the Ontario Superior Court of Justice in *McGarrigle*, when parties to a disciplinary proceeding have entered into an agreed statement of facts, those are the only facts regarding the alleged improper conduct of the respondent that the panel is allowed to consider. This is entirely appropriate as respondents must know the case they have to meet. Hearing panels, including the Panel, are bound by and limited to the facts set out in agreed statements of facts which are intended to substantially simplify proceedings by obviating the need for additional evidence.

[59] It was inappropriate for the Panel to have considered the Guidance Note and it is clear that the Panel ascribed some weight, possibly significant weight, to what the Panel described as the consequences of Vickers's knowledge of what the Guidance Note stated or his failure to have such knowledge, neither of which were addressed in the Agreed Statement of Facts. In this regard, I do not agree with IIROC Staff's assertion that the Guidance Note is not an essential element of the case because the description of the risks of IETFs included in the Guidance Note is set out in the Prospectuses.

[60] IIROC Staff have attempted to downplay the Panel's consideration of the Guidance Note by submitting that the Panel had not prejudged its importance and by referring to the following comment of the Chair of the Panel:

> THE CHAIR: Picture the average member of the public that's reading our reasons. And they read our reasons and they say, particularly the compliance people, "Those clowns didn't even know that there was a document out there the year before on this very topic," *whatever we make of it*.
>
> (Written submissions of IIROC at para. 40, citing Transcript of IIROC Sanctions Hearing, Vickers Record, at p. 19, Tab 6, emphasis added.)

[61] In my view, the comments of the Chair of the Panel appear to be more consistent with what he perceived to be the opprobrium that would ensue if the Panel failed to take the Guidance Note into account. Regardless of the motivation, the Guidance Note should not have been considered by the Panel.

[62] I do not agree with the submission of IIROC Staff that, in the present matter which involves an agreed statement of facts, an IIROC hearing panel "may have regard to a Rules Notice", which would include the Guidance Note. The Guidance Note is neither a policy nor rule of IIROC and its very name confirms its intended use. The Panel was also not entitled to take judicial notice of the Guidance Note as the Guidance Note was not "so notorious or generally accepted as to be not the subject of debate among reasonable persons" or "capable of immediate and accurate demonstration by resort to readily accessible sources of indisputable accuracy". In addition, the Panel would have to have provided the parties with an opportunity to make submissions as to the admissibility of the Guidance Note which it did not do.

[63] I should note that both IIROC Staff and counsel to Vickers provided written submissions relating to statements that they had made to the Panel with respect to its ability to consider the Guidance Note in a prior hearing on the same day as the Hearing. The prior hearing concerned RBC DS and arose from the same facts as this matter. I have concluded that I should not take these submissions into account as they pertained to a different hearing and had not been placed before me as new evidence in this matter.

[64] Based on the foregoing, I find that the Panel should not have considered the Guidance Note and it was an error in law for the Panel to have done so.

2. Were the Panel's reasons inadequate in the circumstances

[65] Vickers's submissions relating to his assertion that the Panel's reasons were inadequate were largely based on his submissions relating to the severity of the sanctions that were imposed on him by the Panel. That said, I do view the reasons of

the Panel to be stated in very broad terms and the absence of a detailed analysis of the case law makes an assessment of the sanctions imposed on Vickers difficult. This is reflected in part by the following statement of the Panel in the Decision:

> We find that the prior cases, both contested and Settlement Agreements, do not give clear guidance on the appropriate penalty for this case.
>
> (Decision, para. 48.)

[66] IIROC Staff has provided a detailed summary of the Panel's analysis and the manner by which the Panel came to a conclusion and submits that, when reviewed in its entirety, the Decision is "justifiable, transparent and intelligible." In my view, the standard suggested by IIROC Staff has not been fully met, particularly with respect to transparency and whether or not the Panel took the Guidance Note into account. As a result, I find that the test in *Clifford* described in paragraph [44] above has not been satisfied, i.e., the basis of the Decision was not fully explained and the explanation that was provided was not logically linked to the Decision.

3. Were the sanctions disproportionate to the facts and conduct admitted in the Agreed Statement of Facts

[67] Given the conclusions set out in paragraphs [64] and [66] above and for the reasons set out in paragraph [70] below, I do not propose to review and make any findings with respect to the sanctions imposed on Vickers by the Panel.

V. CONCLUSION

[68] Given my findings that the Panel erred in law in two respects, the Commission is entitled to intervene in the Decision on the basis of the grounds for intervention established by the *Canada Malting* case (see paragraph [49] above). Under subsection 8(3) of the Act, the Commission may, having conducted a hearing and review, by order confirm the decision under review or make such other decision as the Commission considers proper.

[69] In his submissions, Vickers requests that the Decision be set aside and replaced by an order of the Commission imposing the sanctions proposed by Vickers. In the alternative, Vickers submits that the Decision should be set aside and the matter directed to a newly-constituted IIROC hearing panel. In its submissions, IIROC Staff similarly request that, in the event that the Commission decides to intervene in the Decision, the matter should be directed to a newly-constituted IIROC hearing panel.

[70] Although it would be expedient and far less costly for the parties, I am not prepared to substitute the Commission's judgment with respect to sanctions for that of the Panel for two reasons. First, IIROC hearing panels have greater familiarity with IIROC's regulations and sanction guidelines than the Commission (see paragraph [51] above). Second, I am unable to discern from the Decision whether or not the Panel ascribed weight to the Guidance Note and, if it did, as I believe to be the case, to what extent that factor affected the severity of the sanctions imposed on Vickers (see paragraph [59] above).

[71] Based on the foregoing considerations, the Application is granted and the matter is hereby directed to a newly-constituted IIROC hearing panel for re-consideration.

Dated at Toronto this 24th day of April, 2015.

"Christopher Portner"

3.1.3 Satish Talawdekar and Anand Hariharan

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

AND

IN THE MATTER OF
SATISH TALAWDEKAR AND ANAND HARIHARAN

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

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Satish Talawdekar ("Talawdekar" or the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 11, 2015 (the "Proceeding") against the Respondent according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

3. For the purposes of only this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority in Canada, the Respondent agrees with the facts as set out in Part III and the conclusions in Part IV of this Settlement Agreement (the "Settlement Agreement").

PART III – AGREED FACTS

I. OVERVIEW

4. The Proceeding relates to Staff's allegations concerning unlawful trading and tipping in June 2012 by Talawdekar related to the acquisition by MacDonald, Dettwiler & Associates Inc. ("MDA") of a major subsidiary of Loral Space & Communications Inc. ("Loral" and the "Acquisition").

II. THE RESPONDENT

5. Talawdekar is a resident of Mississauga, Ontario and was at the time of the conduct described herein employed as a manager in the IT department of MDA's Brampton offices.

III. TALAWDEKAR'S CONDUCT

The Acquisition and Announcement

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

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

7. MDA issued a material change report concerning the Acquisition on June 29, 2012.

8. MDA's Acquisition was a material fact to both Loral and to MDA.

9. Talawdekar became aware of the Acquisition in the course of his employment before there was general disclosure by MDA, which only occurred with the Announcement.

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

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

Knowledge of Talawdekar of the Material Information

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

Chronology of Key Events

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

14. Talawdekar made this purchase with knowledge of the material, generally-undisclosed fact that MDA was going to make a major, transformative acquisition. He was in a special relationship with MDA by virtue of subsection 76(5)(c)(i) of the Act and his purchases with that knowledge constituted unlawful insider trading contrary to subsection 76(1) of the Act.

Talawdekar Tips Hariharan concerning the Acquisition

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

16. Beginning later that same day and continuing the next day, Talawdekar engaged in a series of telephone calls with his friend Hariharan and informed him of those facts (i.e. the facts set out in paragraph 15 above), which were material and undisclosed.

17. As a result of receiving this tip, Hariharan purchased 220 call option contracts of Loral on June 26, 2012 prior to the Announcement at a cost of $11,019.90.

Profit Made by Hariharan

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

Profit Made by Talawdekar

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

PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

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

21. Talawdekar:

(a) Purchased MDA securities with knowledge of material undisclosed information respecting MDA, contrary to section 76(1) of the Act and also thereby acting contrary to the public interest; and

(b) Informed his friend Hariharan of the Acquisition, which was a material, generally-undisclosed fact in respect of MDA, thereby breaching section 76(2) of the Act and also thereby acting contrary to the public interest.

PART V – RESPONDENT'S POSITION

22. Talawdekar is not a registrant in Ontario or elsewhere.

23. Talawdekar is very remorseful for his conduct. He is unlikely to repeat this sort of conduct.

24. Talawdekar has brought this matter to an early resolution.

PART VI – TERMS OF SETTLEMENT

25. Talawdekar agrees to the terms of settlement listed below.

26. The Commission will make an order, pursuant to sections 127 and 127.1 of the Act, that:

(a) the Settlement Agreement is approved;

(b) trading in any securities (including as the term is defined in subsection 76(6) of the Act) by Talawdekar whether direct or indirect, shall cease for a period of 10 years from the date of the order approving the Settlement Agreement.

(c) the acquisition of any securities by Talawdekar, including as the term "security" is defined in subsection 76(6) of the Act, whether direct or indirect, is prohibited for a period of 10 years from the date of the order approving the Settlement Agreement.

(d) After the payments set out in paragraph 26(h),(i),(j) and (k), below, are made in full, as an exception to the provisions of paragraphs 26(b) and (c):

(i) trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities, bonds and guaranteed investment certificates for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans in which Talawdekar and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this Settlement Agreement at the time he opens or modifies these accounts; and

(ii) trading and the acquisition of any securities shall be permitted in the registered education savings plans account held at First Knowledge Financial for the benefit of Talwdekar's children, as long as Talawdekar neither holds nor exercises trading authority, influence or control in respect of the trading in the account, and such trading is carried out through First Knowledge Financial, to whom he must give a copy of this Settlement Agreement forthwith;

(e) any exemptions contained in Ontario securities law do not apply to Talawdekar for a period of 10 years from the date of the order approving the Settlement Agreement;

(f) Talawdekar is reprimanded;

(g) Talawdekar is prohibited for a period of 10 years from the date of the order approving the Settlement Agreement from becoming or acting as a registrant, an investment fund manager, a promoter, or as a director or officer of any of those entities;

(h) Talawdekar shall disgorge to the Commission $11,673.60, being the profits obtained by him through the MDA trading as a result of his non-compliance with Ontario securities law. The disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(i) Talawdekar shall pay an administrative penalty of $23,000 for his failure to comply with Ontario securities law in respect of the MDA trading, which represents approximately two (2) times the profit made by the Respondent through that misconduct. The administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(j) Talawdekar shall pay an administrative penalty of $55,326.40 for his failure to comply with Ontario securities law in respect of the unlawful tip provided to Hariharan, which represents an amount equivalent to a substantial portion of the profit made by Hariharan as a result of Talawdekar's misconduct. The administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act; and

(k) Talawdekar shall also pay investigation costs to the Commission in the amount of $5,000.

27. Talawdekar undertakes to pay the amounts described above as follows: payments of $45,000 and $5,000 made by certified cheques or bank drafts on or before March 26, 2015 and a final payment of $45,000 made by certified cheque or bank draft on or before April 26, 2015;

28. Talawdekar undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the non-monetary prohibitions set out in the Settlement Agreement. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

29. Talawdekar agrees to attend in person at the hearing before the Commission to consider the proposed settlement.

PART VII – STAFF COMMITMENT

30. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 31 below.

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

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

32. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure*.

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

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

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

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and

(b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

38. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

39. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

40. A PDF copy of any signature will be treated as an original signature.

DATED AT TORONTO this 6th day of March 2015.

"Satish Talawdekar"
Satish Talawdekar

"Andrea Talawdekar"
Witness
(signature and printed name)

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch

SCHEDULE "A"

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

AND

IN THE MATTER OF
SATISH TALAWDEKAR AND ANAND HARIHARAN

AND

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

ORDER
(Subsections 127(1) and 127.1)

WHEREAS on March 11, 2015 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "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"), and Staff of the Commission ("Staff") filed a statement of allegations (the "Statement of Allegations") in respect of Satish Talawdekar ("Talawdekar");

AND WHEREAS Talawdekar has entered into a Settlement Agreement with Staff dated March 6, 2015 (the "Settlement Agreement") in which Talawdekar agreed to a proposed settlement in relation to the matters set out in the Notice of Hearing and the Statement of Allegations;

AND WHEREAS in the Notice of Hearing the Commission announced that it proposed to hold a hearing to consider whether it is in the public interest to approve the Settlement Agreement between Staff and Talawdekar;

AND WHEREAS Talawdekar has made payments of $90,000 and $5,000 in costs prior to the approval of the Settlement Agreement;

AND UPON the Commission having reviewed the Notice of Hearing, the Statement of Allegations, and the Settlement Agreement, and having heard submissions from counsel for Talawdekar and for Staff;

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

IT IS HEREBY ORDERED THAT:

(1) The Settlement Agreement is approved;

(2) Trading in any securities (including as the term is defined in subsection 76(6) of the Act) by Talawdekar whether direct or indirect, shall cease for a period of 10 years from the date of the order approving the Settlement Agreement.

(3) The acquisition of any securities by Talawdekar, including as the term "security" is defined in subsection 76(6) of the Act, whether direct or indirect, is prohibited for a period of 10 years from the date of the order approving the Settlement Agreement.

(4) After the payments set out in paragraphs 8, 9, 10 and 11, below, are made in full, as an exception to the provisions of paragraphs 2 and 3:

(a) trading shall be permitted only in mutual fund, exchange-traded fund or index fund securities, bonds and guaranteed investment certificates for the account of any registered retirement savings plans, tax free savings accounts and self-directed retirement savings plans in which Talawdekar and/or his spouse have sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom he must give a copy of this agreement at the time he opens or modifies these accounts; and

(b) trading and the acquisition of any securities shall be permitted in the registered education savings plans account held at First Knowledge Financial for the benefit of Talawdekar's children, as long as Talawdekar

neither holds nor exercises trading authority, influence or control in respect of the trading in the account, and such trading is carried out through First Knowledge Financial, to whom he must give a copy of this settlement forthwith;

(5) any exemptions contained in Ontario securities law do not apply to Talawdekar for a period of 10 years from the date of the order approving the Settlement Agreement;

(6) Talawdekar is reprimanded;

(7) Talawdekar is prohibited for a period of 10 years from the date of the order approving the Settlement Agreement from becoming or acting as a registrant, an investment fund manager, a promoter, or as a director or officer of any of those entities;

(8) Talawdekar shall disgorge to the Commission $11,673.60, being the profits obtained by him through the MDA trading as a result of his non-compliance with Ontario securities law. The disgorged amount shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(9) Talawdekar shall pay an administrative penalty of $23,000 for his failure to comply with Ontario securities law in respect of the MDA trading, which represents approximately two (2) times the profit made by the Respondent through that misconduct. The administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act;

(10) Talawdekar shall pay an administrative penalty of $55,326.40 for his failure to comply with Ontario securities law in respect of the unlawful tip provided to Hariharan, which represents an amount equivalent to a substantial portion of the profit made by Hariharan as a result of Talawdekar's misconduct. The administrative penalty shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act; and

(11) Talawdekar shall also pay investigation costs to the Commission in the amount of $5,000.

DATED at Toronto, this [day] day of [month], [year].

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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
Exall Energy Corporation	April 22, 2015	4-May-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
MBAC Fertilizer Corp.	08-Apr-15	20-Apr-15	20-Apr-15	28-Apr-15	
Calmena Energy Services Inc.	10-Apr-15	22-Apr-15	22-Apr-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
Alturas Minerals Corp	02-Apr-15	13-Apr-15	13-Apr-15	23-Apr-15	
Carpathian Gold Inc.	06-Apr-15	17-Apr-15	17-Apr-15		
EQ Inc.	08-Apr-15	20-Apr-15	20-Apr-15		
Northcore Resources Inc.	09-Mar-15	20-Mar-15	20-Mar-15		
MagIndustries Corp.	13-Apr-15	24-Apr-15	24-Apr-15		
Mainstream Minerals Corporation	13-Apr-15	24-Apr-15	24-Apr-15		
MBAC Fertilizer Corp.	08-Apr-15	20-Apr-15	20-Apr-15	28-Apr-15	

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5.1.1 CSA Notice of Publication – National Policy 25-201 Guidance for Proxy Advisory Firms

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Notice of Publication
National Policy 25-201 *Guidance for Proxy Advisory Firms*

April 30, 2015

Introduction

The Canadian Securities Administrators (**CSA** or **we**) are adopting National Policy 25-201 *Guidance for Proxy Advisory Firms* (the **Policy**).

The text of the Policy is published with this notice and will also be available on websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.gov.ns.ca/nssc
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.sk.ca
www.msc.gov.mb.ca

Substance and Purpose

The Policy provides guidance on recommended practices and disclosure for proxy advisory firms. The guidance contained in the Policy is intended to: (i) promote transparency in the processes leading to vote recommendations and the development of proxy voting guidelines; and (ii) foster understanding among market participants about the activities of proxy advisory firms.

The Policy addresses the following areas:

- identification, management and mitigation of actual or potential conflicts of interest;
- transparency and accuracy of vote recommendations;
- development of proxy voting guidelines;
- communications with clients, market participants, other stakeholders, the media and the public.

We suggest certain steps that proxy advisory firms may consider taking in relation to the services they provide to their clients and their activities. We also expect proxy advisory firms to publicly disclose their practices to promote transparency and understanding among market participants.

Although the Policy applies to all proxy advisory firms, the guidance contained in the Policy is not intended to be prescriptive. Instead, we encourage proxy advisory firms to consider this guidance in developing their own practices and disclosure.

Background

On June 21, 2012, the CSA published for comment Consultation Paper 25-401 *Potential Regulation of Proxy Advisory Firms* (the **Consultation Paper**).

The purpose of the consultation was to provide a forum for discussion of certain concerns raised about the services provided by proxy advisory firms and the potential impact on Canadian capital markets. The consultation process also allowed the CSA to determine if, and how, it should address these concerns.

The Consultation Paper, along with other international initiatives,[1] brought a renewed focus on the activities of proxy advisory firms. In light of the comments received during the consultation and the recommendations arising from the international initiatives, the CSA concluded that guidance was an appropriate response under the circumstances.

On April 24, 2014, the CSA published for a 60-day comment period proposed National Policy 25-201 *Guidance for Proxy Advisory Firms*. We extended the comment period from June 23, 2014 to July 23, 2014, to give additional time to market participants to properly review the Policy and prepare comments.

Summary of Written Comments Received by the CSA

During the last comment period, we received 58 comment letters from various market participants. We have reviewed the comments received and wish to thank all of the commenters for contributing to the consultation. The names of commenters are contained in Annex A of this notice and a summary of their comments, together with our responses, are contained in Annex B of this notice.

Summary of Changes since Publication for Comment

After considering the comments received, we have made some changes to the Policy that was published for comment. As these changes are not material, we are not republishing the Policy for a further comment period.

The following is a summary of the key changes that were made to the Policy.

Conflicts of interest

Subsection 2.1(4) of the Policy was revised to provide that the board of directors of a proxy advisory firm or, if the proxy advisory firm does not have a board of directors, the executive management team or a designated committee of the proxy advisory firm, is generally expected to be responsible for overseeing the development of policies and procedures and code of conduct, the implementation of internal safeguards and controls and the effectiveness of those measures instituted to address actual or potential conflicts of interest. The revised responsibilities better reflect good corporate governance practices.

Subsection 2.1(6) was clarified to recommend that proxy advisory firms provide sufficient information to enable their clients to make an assessment about the independence and objectivity of the proxy advisory firms and the services, including any steps taken to address actual or potential conflicts of interest. This clarification is consistent with the recommendations arising from certain international initiatives.

Transparency and accuracy of vote recommendations

Subsection 2.2(5) was revised to recommend that proxy advisory firms generally describe on their websites the practices adopted with respect to the hiring, training and retaining of individuals to ensure that they have the appropriate experience, competencies, skills and knowledge to prepare vote recommendations. This information should assist market participants with evaluating the quality of the research and analysis that underlie vote recommendations.

Development of proxy voting guidelines

Paragraph 2.3(2)(c) was revised to recommend that proxy advisory firms take into account relevant characteristics of the issuers when developing proxy voting guidelines. For example, these characteristics may include the size, industry and governance structure of an issuer. This guidance is consistent with the approach used by proxy advisory firms when developing general corporate governance principles and tailoring the principles to consider the particular circumstances of the issuers, as appropriate.

Subsection 2.3(5) was revised to recommend that proxy advisory firms generally describe on their websites the practices adopted with respect to the hiring, training and retaining of individuals to ensure that they have the appropriate experience, competencies, skills and knowledge to develop proxy voting guidelines. This information should assist market participants with evaluating the quality of the research and analysis that underlie proxy voting guidelines.

[1] The initiatives reviewed by the CSA included the following:

- the French Autorité des marches financiers issued *AMF Recommendation 2011-06 of 18 March, 2011 on Proxy voting advisory firms*;
- the Best Practice Principles Group published in March 2014 a set of *Best Practice Principles for Providers of Shareholder Voting Research & Analysis*;
- the U.S. Securities and Exchange Commission published on June 30, 2014 *Staff Legal Bulletin No. 20 (IM/CF) Proxy Voting: Proxy Voting Responsibilities of Investment Advisers and Availability of Exemptions from the Proxy Rules for Proxy Advisory Firms.*

Communications with clients, market participants, other stakeholders, the media and the public

Paragraph 2.4(2)(a) was removed to avoid repetition in the guidance. We recognize that subsection 2.1(6) would expect proxy advisory firms to disclose actual or potential conflicts of interest to their clients by appropriate means.

Paragraphs 2.4(2)(b) and (c) were revised to recommend that proxy advisory firms communicate to their clients in their reports how the relevant approaches or methodologies were applied and the sources of information used in preparing vote recommendations. This guidance recognizes that proxy advisory firms are communicating information in accordance with their clients' expectations.

Remarks on the Policy

We recognize that proxy advisory firms have demonstrated a willingness to respond to the concerns raised by market participants and have brought changes to some of their practices. We support initiatives taken by proxy advisory firms aimed at improving their practices, including initiatives that facilitate dialogue or contact with issuers to reduce the risk of factual errors or inaccuracies in vote recommendations.

We intend to continue monitoring market developments in the proxy advisory industry and other international initiatives to evaluate if the Policy addresses the Canadian marketplace's concerns.

Contents of Annexes

The following annexes form part of this notice:

(a) Annex A, Names of Commenters;

(b) Annex B, Summary of Comments and CSA Responses.

Questions

Please refer your questions to any of the following:

Autorité des marchés financiers
Michel Bourque
Senior Policy Advisor
514-395-0337 ext.4466
1-877-525-0337
michel.bourque@lautorite.qc.ca

Ontario Securities Commission
Naizam Kanji
Director, Office of Mergers & Acquisitions
416-593-8060 1-877-785-1555
nkanji@osc.gov.on.ca

Laura Lam
Legal Counsel, Office of Mergers & Acquisitions
416-593-8302 1-877-785-1555
llam@osc.gov.on.ca

Alberta Securities Commission
Sophia Mapara, Corporate Finance
Legal Counsel
403-297-2520 1-877-355-0585
sophia.mapara@asc.ca

ANNEX A

NAMES OF COMMENTERS

1	John P. A. Budreski
2	Andrew Swarthout
3	Brad Farquhar
4	Bruno Kaiser
5	Dan Barnholden
6	David H. Laidley
7	David Regan
8	Doug Emsley
9	Gary Patterson
10	Jack Lee
11	Jeff Kennedy
12	Ken McDonald
13	Marcel DeGroot
14	Mary Ritchie
15	Suzan Fraser
16	Nolan Watson
17	Peter Aklerley
18	Philip L. Webster
19	Addenda Capital Inc.
20	Agrium Inc.
21	Alaris Royalty Corp.
22	Australian Institute of Company Directors
23	BlackRock, Inc.
24	Blake, Cassels & Graydon LLP
25	Bombardier Inc.
26	British Columbia Investment Management Corporation
27	Caisse de dépôt et placement du Québec
28	Canadian Advocacy Council for Canadian CFA Institute Societies
29	Coerente Capital Management
30	Canadian Coalition for Good Governance
31	Canadian Council of Chief Executives
32	Canadian Investor Relations Institute
33	Canadian Oil Sands Limited
34	Center for Capital Markets Competitiveness
35	CI Financial Corp.
36	Endeavour Silver Corp.
37	Enerplus Corporation
38	Glass, Lewis & Co.
39	Goldcorp Inc.
40	Hansell LLP

41	High Liner Foods
42	Imperial Oil Limited
43	Institute of Corporate Directors
44	Institute of Governance for Private and Public Organisations
45	ISS
46	Magna International Inc.
47	Manifest Information Services Ltd & The Manifest Voting Agency Ltd
48	Mercer
49	NEI Investments
50	Norton Rose Fulbright Canada LLP
51	Pension Investment Association of Canada
52	Placements Montrusco Bolton Inc.
53	Power Corporation of Canada
54	Public Sector Pension Investment Board
55	Shareholder Association for Research and Education
56	Shareholder Communications Coalition
57	Shorecrest Group Ltd.
58	Trinidad Drilling Ltd.

ANNEX B

SUMMARY OF COMMENTS AND CSA RESPONSES

Commenters	Summary of Comments	CSA Responses
Issuers and issuer-related associations	The Policy targets the right concerns, but guidance setting out recommended practices and disclosure is not an appropriate approach. Proxy advisory firms should be regulated, subject to a comply or explain framework or at least be required to meet standards in certain key areas.	Based on the comments received from other commenters and our analysis of the concerns raised, we continue to believe that guidance is the appropriate approach in the circumstances. In our view, this approach represents a sufficient and meaningful response to address the different perspectives of the respective market participant groups. The Policy recognizes the private contractual relationship between proxy advisory firms and their clients. The recommended practices and disclosure provide institutional investors or other clients with a framework for evaluating the services provided to them by proxy advisory firms. This approach is supported by our belief that proxy advisory firms will voluntarily adopt our suggested practices and disclosure. Proxy advisory firms have recently demonstrated a willingness to respond to concerns by voluntarily making changes to some of their processes. We also believe that the Policy is consistent with the recommendations arising from the current international initiatives. We note that no jurisdiction has adopted rules for proxy advisory firms at this time.
	The recommended practices and disclosure will not promote meaningful changes since proxy advisory firms have already implemented most of the recommendations.	We recognize that proxy advisory firms have already implemented most of the recommendations. However, the recommended practices and disclosure will in our view • promote transparency in the processes leading to a vote recommendation and the development of proxy voting guidelines, and • foster understanding among market participants about the activities of proxy advisory firms. We believe that this approach has the benefit of conveying some measure of accountability for proxy advisory firms. It has the added benefit of setting minimum standards for proxy advisory firms and potential new entrants in the industry. The current international initiatives appear to be accelerating changes in disclosure practices. We anticipate that proxy advisory firms will continue to evaluate their practices and make other changes to enhance transparency.

Commenters	Summary of Comments	CSA Responses
	The CSA should monitor compliance with the recommended practices and disclosure after their adoption to determine if the policy objectives have been achieved.	We intend to continue monitoring market developments in the proxy advisory industry to evaluate if the Policy addresses the Canadian marketplace's concerns. We will also monitor other international initiatives that are bringing a renewed focus on the activities of proxy advisory firms.
	To avoid conflicts of interest, a proxy advisory firm should not be allowed to provide vote recommendations to an investor client on corporate governance matters of an issuer to whom the firm provided consulting services.	We have decided not to adopt prescriptive measures regarding the activities of proxy advisory firms. We encourage proxy advisory firms to consider the recommendations in developing and implementing their own practices. There is general agreement amongst market participants of the potential for conflicts of interest in the proxy advisory industry, including those related to the business model or the ownership structure of a proxy advisory firm. We do not believe that it is the responsibility of the CSA to recommend a specific business model for proxy advisory firms. We expect proxy advisory firms to identify, manage and disclose actual or potential conflicts of interest. This approach is in line with the approach adopted for designated rating agencies in Canada.
	The CSA should set out minimal qualifications, experience and training standards for analysts preparing vote recommendations.	We encourage proxy advisory firms to have the resources, knowledge and expertise required to prepare rigorous and credible vote recommendations. This includes hiring, training and retaining individuals that have the particular experience, competencies, skills and knowledge to perform their duties in the ordinary course of business. We do not believe that it is the responsibility of the CSA to recommend specific standards in this area. However, market participants could benefit from learning more about the steps taken by proxy advisory firms to ensure that they hire, train and retain qualified individuals. Accordingly, we added guidance in the Policy recommending that proxy advisory firms provide on their websites a general description of the practices adopted to ensure that they hire, train and retain individuals that have the appropriate qualifications to perform their duties.
	Proxy advisory firms should be required to provide draft research reports to issuers for review to avoid inaccuracies and include the issuers' comments prior to sending the final reports to clients.	We expect proxy advisory firms to disclose their policies and procedures regarding dialogue with issuers, shareholder proponents and other stakeholders when they prepare vote recommendations. We also expect proxy advisory firms to include the nature and outcome of such dialogue in their reports.

Commenters	Summary of Comments	CSA Responses
		The purpose of such dialogue is to promote the accuracy of vote recommendations. We expect proxy advisory firms to have measures in place, such as policies and procedures and internal safeguards and controls, to ensure the accuracy of vote recommendations. We believe that those measures will be adequate in ensuring that vote recommendations are accurate. However, to the extent that proxy advisory firms decided to implement such dialogue as a means to further ensure the accuracy of vote recommendations, the CSA will support those initiatives.
Investors and investor-related associations	While a regulatory response to address any perceived concerns with respect to proxy advisory firms is not necessary, the guidance setting out recommended practices and disclosure is an appropriate approach since it is not intended to be prescriptive.	We acknowledge that proxy advisory firms play an important role in the proxy voting process. Certain market participants continue to raise concerns about the services provided by proxy advisory firms. We also note that other international initiatives have brought a renewed focus on the activities of proxy advisory firms. Therefore, we are of the view that a CSA response is warranted. We believe that guidance on recommended practices and disclosure will promote transparency in the industry and foster understanding among market participants.
	The recommended practices and disclosure will not promote meaningful changes since proxy advisory firms have already implemented most of the recommendations.	See response to issuers and issuer-related associations above.
	The *Best Practice Principles for Providers of Shareholder Voting Research & Analysis* already address the issues outlined in the Policy.	We recognize that the *Best Practice Principles for Providers of Shareholder Voting Research & Analysis* and the Policy address similar issues. However, this international initiative has been developed by industry members. We believe that a CSA response has the benefit of communicating our position to proxy advisory firms and other market participants. The Policy also recommends that proxy advisory firms take into account Canadian market or regulatory conditions when determining vote recommendations and developing proxy voting guidelines.
	The CSA should not encourage proxy advisory firms to engage with issuers when they prepare vote recommendations.	See response to issuers and issuer-related associations above.
Proxy advisory firms	Proxy advisory firms generally agree with the purpose and guidance set out in the Policy. They confirm having appropriate policies and procedures in place to address conflicts of interest, transparency, policy development and communications matters. They are committed to provide high quality and objective services to their clients in a consultative and comprehensive manner.	We thank the commenters for their comments.

Commenters	Summary of Comments	CSA Responses
	They do not believe that their activities should be regulated and support the use of guidance.	

NATIONAL POLICY 25-201 *GUIDANCE FOR PROXY ADVISORY FIRMS*

PART 1 PURPOSE AND APPLICATION

1.1 Purpose of this Policy

The Canadian Securities Administrators (CSA or we) recognize that proxy voting is an important method by which shareholders can effect governance and communicate preferences about an issuer's management and stewardship. Issuers rely on shareholder voting to elect directors and to approve other corporate governance matters or certain corporate transactions. Proxy voting is therefore fundamental to, and enhances the quality and integrity of, our public capital markets.

We acknowledge that proxy advisory firms play an important role in the proxy voting process by providing services that facilitate investor participation in the voting process such as analyzing proxy materials and providing vote recommendations. Some proxy advisory firms also provide other types of services to issuers, including consulting services on corporate governance matters.

The purpose of this Policy is to set out recommended practices for proxy advisory firms in relation to the services they provide to their clients and their activities. This Policy provides guidance to proxy advisory firms designed to

(a) promote transparency in the processes leading to a vote recommendation and the development of proxy voting guidelines, and

(b) foster understanding among market participants about the activities of proxy advisory firms.

The guidance addresses conflicts of interest, the determination of vote recommendations, the development of proxy voting guidelines and communications with clients, market participants, other stakeholders, the media and the public.

The guidance in this Policy is not intended to be prescriptive or exhaustive.

The CSA encourage proxy advisory firms to consider this guidance in developing and implementing practices that are tailored to their structure and activities.

1.2 Application

This Policy is designed to assist all firms that provide proxy advisory services. Proxy advisory services include any of the following:

(a) analyzing the matters put to a vote at a shareholders' meeting;

(b) making vote recommendations;

(c) developing proxy voting guidelines.

Although some proxy advisory firms may provide other types of services, this Policy addresses processes that lead to vote recommendations and proxy voting guidelines determined or developed by proxy advisory firms.

PART 2 GUIDANCE

2.1 Conflicts of interest

(1) Effective identification, management and mitigation of actual or potential conflicts of interest are essential in ensuring the ability of the proxy advisory firm to offer independent and objective services to a client.

(2) An actual or potential conflict of interest arises where the interests of a proxy advisory firm are or may be perceived to be inconsistent with, or diverge from, those of a client. An actual or potential conflict might also arise between the interests of one group of clients and another. By way of example, an actual or potential conflict of interest arises in any of the following circumstances:

(a) a proxy advisory firm provides vote recommendations to an investor client on corporate governance matters of an issuer to which the proxy advisory firm provided consulting services;

(b) an investor client of a proxy advisory firm submits a shareholder proposal to be put to a vote at a shareholders' meeting that could be the subject of a favourable vote recommendation by the proxy advisory firm;

(c) a proxy advisory firm is owned, in whole or in part, by an investor client who invests in issuers in relation to which the proxy advisory firm is or has been mandated to make vote recommendations.

(3) Proxy advisory firms may address actual or potential conflicts of interest by implementing appropriate practices. Proxy advisory firms may consider taking the following steps to address actual or potential conflicts of interest:

(a) establishing, maintaining and applying written policies and procedures designed to identify, manage and mitigate actual or potential conflicts of interest that could influence their research and analysis, vote recommendations or proxy voting guidelines;

(b) designing and implementing internal safeguards and controls designed to monitor the effectiveness of the policies and procedures, including organizational structures, lines of reporting and information barriers, to mitigate actual or potential conflicts of interest;

(c) establishing, maintaining and complying with a code of conduct that sets standards of behaviour and practices for the proxy advisory firm, including individuals acting on its behalf;

(d) obtaining affirmation of the code of conduct from all individuals acting on their behalf upon hiring and on an annual basis thereafter and providing related training on a regular basis;

(e) evaluating the effectiveness of their policies and procedures, internal safeguards and controls and code of conduct on a regular basis to ensure that they remain appropriate and effective.

(4) The board of directors of a proxy advisory firm or, if the proxy advisory firm does not have a board of directors, the executive management team or a designated committee of the proxy advisory firm, is generally expected to be responsible for overseeing:

(a) the development of written policies and procedures and a code of conduct designed to address actual or potential conflicts of interest;

(b) the implementation of internal safeguards and controls to identify, manage and mitigate actual or potential conflicts of interest;

(c) the effectiveness of the policies and procedures, code of conduct and internal safeguards and controls instituted to ensure that actual or potential conflicts of interest are identified, managed and mitigated, as appropriate.

(5) To assist with addressing actual or potential conflicts of interest, proxy advisory firms may wish to consider designating an appropriately qualified person (or a committee of appropriately qualified persons) who would be responsible for, among other things:

(a) monitoring and assessing compliance by the proxy advisory firm, and individuals acting on its behalf, with its policies and procedures and code of conduct;

(b) assessing the appropriateness of the internal safeguards and controls adopted by the proxy advisory firm and monitoring the identification, management and mitigation of conflicts of interest;

(c) periodically reporting on his or her activities to the board of directors of the proxy advisory firm or, if the proxy advisory firm does not have a board of directors, the executive management team or designated committee of the proxy advisory firm.

(6) We expect proxy advisory firms to disclose to their clients, in a timely manner, actual or potential conflicts of interest. We expect proxy advisory firms to provide sufficient information to enable clients to understand the nature and scope of the conflict so as to make an assessment about the independence and objectivity of the proxy advisory firms and the services, including any steps taken to address the conflict.

(7) Where possible and without compromising the proprietary or commercially sensitive nature of such information, we expect proxy advisory firms to post or describe on their websites their policies and procedures, internal safeguards and controls, code of conduct and compliance program respecting actual or potential conflicts of interest, including any related amendments.

2.2 Transparency and accuracy of vote recommendations

(1) It is important for market participants to understand how proxy advisory firms arrive at a specific vote recommendation and to assess the quality of the research and analysis behind such a recommendation. Proxy advisory firms can facilitate this by ensuring that vote recommendations are determined in a transparent manner and that the information underlying those recommendations is accurate.

(2) We expect proxy advisory firms to ensure that:

(a) vote recommendations are determined in a consistent manner in accordance with the proxy voting guidelines of the proxy advisory firm or the proxy voting guidelines of the clients;

(b) vote recommendations are determined based on up-to-date publicly available information about the issuer;

(c) vote recommendations are prepared in accordance with approaches or methodologies aimed at, among other things, reducing the risk of factual errors or inaccuracies.

(3) Proxy advisory firms may consider taking the following steps when determining vote recommendations:

(a) establishing, maintaining and applying written policies and procedures describing the approaches or methodologies used to prepare vote recommendations, such as research, information and data gathering, benchmarks, sources of information from third parties, local market or regulatory conditions, criteria, analytical models and assumptions, and the relative weight of these elements in preparing vote recommendations;

(b) designing and implementing internal safeguards and controls to increase the accuracy and reliability of the information and data used in the preparation of vote recommendations. We encourage proxy advisory firms to have in place a quality assurance process to review vote recommendations before they are provided to clients, including verifying the accuracy of information and data used and reviewing the research and analysis performed by individuals acting on their behalf;

(c) evaluating the effectiveness of their policies and procedures as well as internal safeguards and controls on a regular basis to ensure that they remain appropriate and effective.

(4) We encourage proxy advisory firms to have the resources, knowledge and expertise required to prepare rigorous and credible vote recommendations. This includes hiring, training and retaining individuals that have the particular experience, competencies, skills and knowledge to perform their duties on behalf of the proxy advisory firm in the ordinary course of business.

(5) Where possible and without compromising the proprietary or commercially sensitive nature of such information, we expect proxy advisory firms to post or describe on their websites their policies and procedures and internal safeguards and controls applicable to the preparation of vote recommendations, including any related amendments. We also encourage proxy advisory firms to generally describe on their websites the practices adopted with respect to hiring, training and retaining individuals to ensure that they have the appropriate experience, competencies, skills and knowledge to prepare the vote recommendations.

2.3 Development of proxy voting guidelines

(1) It is good practice for proxy advisory firms to ensure that their proxy voting guidelines, which may have an influence on corporate governance practices of issuers, are developed in a consultative and comprehensive manner. This promotes a clearer and more complete understanding of the proxy voting guidelines and their underlying rationale and enables market participants to evaluate the applicability of the proxy voting guidelines to the corporate governance practices of issuers.

(2) Proxy advisory firms may consider taking the following steps when developing proxy voting guidelines:

(a) establishing, maintaining and applying written policies and procedures describing the process followed in developing and updating proxy voting guidelines, such as identification of standards and practices, policy formulation and approval, implementation and evaluation of proxy voting guidelines;

(b) regularly consulting with and considering the preferences and views of their clients, market participants and other stakeholders on corporate governance issues and on their proxy voting guidelines;

(c) taking into account local market or regulatory conditions and other relevant characteristics of the issuers which may include, for example, size, industry and governance structure.

(3) We encourage proxy advisory firms to ensure that they have the resources, knowledge and expertise required to develop and update appropriate proxy voting guidelines. This includes hiring, training and retaining individuals that have the particular experience, competencies, skills and knowledge to perform their duties on behalf of the proxy advisory firm in the ordinary course of business.

(4) Without compromising the proprietary or commercially sensitive nature of such information, we expect proxy advisory firms to post on their websites their proxy voting guidelines and any updates to them. We encourage proxy advisory firms to explain the rationale for their proxy voting guidelines and to provide any other relevant information which could contribute to understanding the reasons behind the proxy voting guidelines and any updates to them.

(5) Where possible and without compromising the proprietary or commercially sensitive nature of such information, we expect proxy advisory firms to post or describe on their websites their policies and procedures and consultations applicable to the development and update of proxy voting guidelines, including any related amendments. We also encourage proxy advisory firms to generally describe on their websites the practices adopted with respect to hiring, training and retaining individuals to ensure that they have the appropriate experience, competencies, skills and knowledge to develop and update the proxy voting guidelines.

2.4 Communications with clients, market participants, other stakeholders, the media and the public

(1) It is good practice for proxy advisory firms to properly manage their communications with clients, market participants, other stakeholders, the media and the public to foster understanding of the activities of proxy advisory firms.

(2) When issuing their vote recommendations, we expect proxy advisory firms to communicate the following information to their clients in their reports:

(a) how the relevant approaches or methodologies were used or applied in determining the vote recommendations;

(b) the sources of information used in preparing the vote recommendations;

(c) a description of the extent to which proxy voting guidelines were used or applied when preparing vote recommendations and the reasons for any deviation from the proxy voting guidelines;

(d) where applicable, the nature and outcome of dialogue or contact with the issuer, shareholder proponents or other stakeholders in the preparation of the vote recommendations;

(e) the limitations or conditions in the research and analysis used to prepare the vote recommendations;

(f) a statement that the vote recommendations and the underlying research and analysis are intended solely as guidance to assist the clients in their decision making process.

(3) We expect proxy advisory firms to post or describe on their websites their policies and procedures regarding dialogue or contact with issuers, shareholder proponents and other stakeholders when they prepare vote recommendations, including whether they provide drafts of reports to issuers for review and comment before sending the final reports to their clients.

(4) We expect proxy advisory firms to correct any factual errors or inaccuracies found in a report and to duly inform their clients in a timely manner. We also encourage proxy advisory firms to duly inform their clients of any report updates or revisions to reflect new publicly available information about an issuer in a timely manner.

(5) We encourage proxy advisory firms to establish, maintain and apply written policies and procedures governing their communications with clients, market participants, other stakeholders, the media and the public, including in relation to the preparation or release of any vote recommendation.

(6) We encourage proxy advisory firms to establish a contact person to manage communications with clients, market participants, other stakeholders, the media and the public, including any questions, concerns or complaints that the proxy advisory firm may receive.

(7) Where possible and without compromising the proprietary or commercially sensitive nature of such information, we expect proxy advisory firms to post or describe on their websites their policies and procedures governing their communications, including any related amendments.

PART 3 EFFECTIVE DATE

3.1 Effective date

This Policy comes into force on April 30, 2015.

5.1.2 Amendments to NI 45-106 Prospectus and Registration Exemptions Relating to the Short-term Debt Prospectus Exemption and Short-term Securitized Products

AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS AND REGISTRATION EXEMPTIONS*

1. National Instrument 45-106 Prospectus and Registration Exemptions is amended by this Instrument.

2. Section 1 is amended by adding the following definitions:

"**asset pool**" means a pool of cash-flow generating assets in which an issuer of a securitized product has a direct or indirect ownership or security interest;

"**asset transaction**" means a transaction or series of transactions in which a conduit acquires a direct or indirect ownership or security interest in an asset pool in connection with issuing a short-term securitized product;

"**conduit**" means an issuer of a short-term securitized product

(a) created to conduct one or more asset transactions, and

(b) in respect of which it is reasonable for the issuer to expect that, in the event of a bankruptcy or insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or a proceeding under similar legislation in Canada, a jurisdiction of Canada or a foreign jurisdiction,

(i) none of the assets in an asset pool of the issuer in which the issuer has an ownership interest will be consolidated with the assets of a third party that transferred or participated in the transfer of assets to the issuer prior to satisfaction in full of all securitized products that are backed in whole or in part by the assets transferred by the third party, or

(ii) for the assets in an asset pool of the issuer in which the issuer has a security interest, the issuer will realize against the assets in that asset pool in priority to the claims of other persons;

"**credit enhancement**" means a method used to reduce the credit risk of a series or class of securitized product;

"**liquidity provider**" means a person that is obligated to provide funds to a conduit to enable the conduit to pay principal or interest in respect of a maturing securitized product;

"**securitized product**" means a security that

(a) is governed by a trust indenture or similar agreement setting out the rights and protections applicable to a holder of the security,

(b) provides a holder with a direct or indirect ownership or security interest in one or more asset pools, and

(c) entitles a holder to one or more payments of principal or interest primarily obtained from one or more of the following:

(i) the proceeds from the distribution of securitized products;

(ii) the cash flows generated by one or more asset pools;

(iii) the proceeds obtained on the liquidation of one or more assets in one or more asset pools;

"**short-term securitized product**" means a securitized product that is a negotiable promissory note or commercial paper that matures not more than one year from the date of issue;**.**

3. Section 2.4 is amended by adding the following subsection:

(4) Subsection (2) does not apply to a distribution of a short-term securitized product.**.**

4. Section 2.5 is amended by adding the following subsection:

(3) Subsection (1) does not apply to a distribution of a short-term securitized product or, in Ontario, a distribution under subsection 73.4(2) of the *Securities Act* (Ontario)**.**

5. Section 2.6 is amended by adding the following subsection:

(3) Subsection (1) does not apply to a distribution of a short-term securitized product**.**

6. Section 2.7 is replaced with the following:

Founder, control person and family - Ontario

(1) In Ontario, the prospectus requirement does not apply to a distribution to a person who purchases the security as principal and is one of the following:

(a) a founder of the issuer;

(b) an affiliate of a founder of the issuer;

(c) a spouse, parent, grandparent, brother, sister, child or grandchild of an executive officer, director or founder of the issuer;

(d) a person that is a control person of the issuer.

(2) Subsection (1) does not apply to a distribution of a short-term securitized product**.**

7. Section 2.9 is amended by adding the following subsection:

(3.1) Subsections (1) and (2) do not apply to a distribution of a short-term securitized product**.**

8. Section 2.35 is replaced with the following:

Short-term debt

2.35 (1) The prospectus requirement does not apply to a distribution of a negotiable promissory note or commercial paper if all of the following apply:

(a) the note or commercial paper matures not more than one year from the date of issue;

(b) the note or commercial paper has a credit rating from a designated rating organization, or its DRO affiliate, that is at or above one of the following rating categories or that is at or above a rating category that replaces one of the following rating categories:

(i) R-1(low) if issued by DBRS Limited;

(ii) F1 if issued by Fitch, Inc.;

(iii) P-1 if issued by Moody's Canada Inc.;

(iv) A-1(Low) (Canada national scale) if issued by Standard & Poor's Ratings Services (Canada);

(c) the note or commercial paper has no credit rating from a designated rating organization, or its DRO affiliate, that is below one of the following rating categories or that is below a rating category that replaces one of the following rating categories:

(d)

(i) R-1(low) if issued by DBRS Limited;

(ii) F2 if issued by Fitch, Inc.;

(iii) P-2 if issued by Moody's Canada Inc.;

(iv) A-1(Low) (Canada national scale) or A-2 (global scale) if issued by Standard & Poor's Ratings Services (Canada).

(2) Subsection (1) does not apply to a distribution of a negotiable promissory note or commercial paper if either of the following applies:

(a) the note or commercial paper is a securitized product;

(b) the note or commercial paper is convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in subsection (1)..

9. National Instrument 45-106 Prospectus and Registration Exemptions is amended by adding the following sections:

Short-term securitized products

2.35.1 The prospectus requirement does not apply to a distribution of a short-term securitized product if all of the following apply:

(a) the short-term securitized product is a security described in section 2.35.2;

(b) the conduit issuing the short-term securitized product complies with section 2.35.4;

(c) the short-term securitized product is not convertible or exchangeable into or accompanied by a right to purchase another security other than a security described in paragraph (a) and for which disclosure is provided pursuant to paragraph (b).

Limitations on short-term securitized product exemption

2.35.2 All of the following must apply to a short-term securitized product distributed under section 2.35.1:

(a) the short-term securitized product is of a series or class of securitized product to which all of the following apply:

(i) it has a credit rating from not less than two designated rating organizations, or their respective DRO affiliate, and at least one of the credit ratings is at or above one of the following rating categories or is at or above a rating category that replaces one of the following rating categories:

(A) R-1(high)(sf) if issued by DBRS Limited;

(B) F1+sf if issued by Fitch, Inc.;

(C) P-1(sf) if issued by Moody's Canada Inc.;

(D) A-1(High)(sf) (Canada national scale) or A-1+(sf) (global scale) if issued by Standard & Poor's Ratings Services (Canada);

(ii) it has no credit rating from a designated rating organization, or its DRO affiliate, that is below one of the following rating categories or that is below a rating category that replaces one of the following rating categories:

(A) R-1(low)(sf) if issued by DBRS Limited;

(B) F2sf if issued by Fitch, Inc.;

(C) P-2(sf) if issued by Moody's Canada Inc.;

(D) A-1(Low)(sf) (Canada national scale) or A-2(sf) (global scale) if issued by Standard & Poor's Ratings Services (Canada);

(iii) the conduit has entered into one or more agreements that, subject to section 2.35.3, obligate one or more liquidity providers to provide funds to the conduit to enable the conduit to satisfy all of its obligations to pay principal or interest as that series or class of short-term securitized product matures;

(iv) all of the following apply to each liquidity provider:

(A) the liquidity provider is a deposit-taking institution;

(B) the liquidity provider is regulated or approved to carry on business in Canada by one or both of the following:

1. the Office of the Superintendent of Financial Institutions (Canada);

2. a government department or regulatory authority of Canada, or of a jurisdiction of Canada responsible for regulating deposit-taking institutions;

(C) the liquidity provider has a rating from each of the designated rating organizations providing a rating on the short-term securitized product under subparagraph 2.35.2(a)(i), or their respective DRO affiliate, for its senior, unsecured short-term debt, none of which is dependent upon a guarantee by a third party, and each rating from such designated rating organizations, or their respective DRO affiliate, is at or above the following rating categories or is at or above a rating category that replaces one of the following rating categories:

1. R-1(low) if issued by DBRS Limited;

2. F2 if issued by Fitch, Inc.;

3. P-2 if issued by Moody's Canada Inc.;

4. A-1(Low) (Canada national scale) or A-2 (global scale) if issued by Standard & Poor's Ratings Services (Canada);

(b) if the conduit has issued more than one series or class of short-term securitized product, the short-term securitized product to be distributed under section 2.35.1, when issued, will not in the event of bankruptcy, insolvency or winding-up of the conduit be subordinate in priority of claim to any other outstanding series or class of short-term securitized product issued by the conduit in respect of any asset pool backing the short-term securitized product to be distributed under section 2.35.1;

(c) the conduit has provided an undertaking to or has agreed in writing with the purchaser of the short-term securitized product or an agent, custodian or trustee appointed to act on behalf of purchasers of that series or class of short-term securitized product, that any asset pool of the conduit will consist only of one or more of the following:

(i) a bond;

(ii) a mortgage;

(iii) a lease;

(iv) a loan;

(v) a receivable;

(vi) a royalty;

(vii) any real or personal property securing or forming part of that asset pool.

Exceptions relating to liquidity agreements

2.35.3(1) Despite subparagraph 2.35.2(a)(iii), an agreement with a liquidity provider may provide that a liquidity provider is not obligated to advance funds in respect of a series or class of short-term securitized product distributed under section 2.35.1 if the conduit is subject to any of the following:

(a) bankruptcy, or insolvency proceedings under the *Bankruptcy and Insolvency Act* (Canada);

(b) an arrangement under the *Companies Creditors' Arrangement Act* (Canada);

(c) proceedings similar to those referred to in paragraph (a) or (b) under the laws of Canada or a jurisdiction of Canada or a foreign jurisdiction.

(2) Despite subparagraph 2.35.2(a)(iii), an agreement with a liquidity provider may provide that a liquidity provider is not obligated to advance funds in respect of a series or class of short-term securitized product distributed under section 2.35.1 that exceed the sum of the following:

(a) the aggregate value of the non-defaulted assets in the asset pool to which the agreement relates;

(b) the amount of credit enhancement applicable to the asset pool to which the agreement relates.

Disclosure requirements

2.35.4(1) A conduit that distributes a short-term securitized product under section 2.35.1 must, on or before the date a purchaser purchases the short-term securitized product, do all of the following:

(a) provide to or make reasonably available to the purchaser an information memorandum prepared in accordance with Form 45-106F7 *Information Memorandum for Short-term Securitized Products Distributed under Section 2.35.1*;

(b) provide an undertaking to or agree in writing with the purchaser, or with an agent, custodian or trustee appointed to act on behalf of purchasers of that series or class of securitized product, to

(i) for so long as a short-term securitized product of that class remains outstanding, prepare the documents specified in subsections (5) and (6) within the time periods specified in those subsections, and

(ii) provide to or make reasonably available to each holder of a short-term securitized product of that series or class, the documents specified in subsections (5) and (6).

(2) Subsection (1) does not apply to a conduit distributing a short-term securitized product under section 2.35.1 if

(a) the conduit has previously distributed a short-term securitized product of the same series or class as the short-term securitized product to be distributed,

(b) in connection with that previous distribution the conduit prepared an information memorandum that complied with paragraph (1)(a), and

(c) the conduit, on or before the time each purchaser in the current distribution purchases a short-term securitized product, does each of the following:

(i) provides to or makes reasonably available to the purchaser the information memorandum prepared in connection with the previous distribution;

(ii) provides to or makes reasonably available to the purchaser all documents specified in subsections (5) and (6) that have been prepared in respect of that series or class of short-term securitized product.

(3) A conduit must, on or before the 10th day following a distribution of a short-term securitized product under section 2.35.1, do each of the following:

(a) provide to or make reasonably available to the securities regulator either of the following:

(i) the information memorandum required under paragraph (1)(a);

(ii) if the conduit is relying on subsection (2), the documents referred to in paragraph (c) of subsection (2);

(b) subject to subsection (4), deliver to the securities regulator an undertaking that it will, in respect of that series or class of short-term securitized product,

(i) provide to or make reasonably available to the securities regulator the documents specified in subsections (5) and (6), and

(ii) promptly deliver to the securities regulator each document specified in subsections (5) and (6) that is requested by the securities regulator.

(4) Paragraph (3)(b) does not apply if

(a) the conduit has delivered an undertaking to the securities regulator under paragraph (3)(b) in respect of a previous distribution of a securitized product that is of the same series or class as the short-term securitized product currently being distributed, and

(b) the undertaking referred to in paragraph (a) applies in respect of the current distribution.

(5) For the purpose of subsection 2.35.4(1), the undertaking or agreement must require the conduit to prepare a monthly disclosure report relating to the series or class of short-term securitized product that is

(a) prepared in accordance with Form 45-106F8 *Monthly Disclosure Report for Short-term Securitized Products Distributed under Section 2.35.1*,

(b) current as at the last business day of each month, and

(c) no later than 50 days from the end of the most recent month to which it relates, made reasonably available to each holder of that series or class of the conduit's short-term securitized product.

(6) For the purpose of subsection 2.35.4(1), the undertaking or agreement must require the conduit to prepare a timely disclosure report, providing the information specified in subsection (7), in each of the following circumstances:

(a) a downgrade in one or more of the conduit's credit ratings;

(b) failure by the conduit to make any required payment of principal or interest on the series or class of short-term securitized product;

(c) the occurrence of a change or event that the conduit would reasonably expect to have a significant adverse effect on the payment of principal or interest on the series or class of short-term securitized product.

(7) The timely disclosure report referred to in subsection (6) must

(a) describe the nature and substance of the change or event and the actual or potential effect on any payment of principal or interest to a holder of that series or class of short-term securitized product, and

(b) be provided to or made reasonably available to holders of that series or class of short-term securitized product no later than the second business day after the conduit becomes aware of the change or event.**.**

10. Item 3 of Form 45-106F1 Report of Exempt Distribution is amended by adding

"□ securitized products issuers***" after "***□ mortgage investment companies***".***

11. In British Columbia, item 3 of Form 45-106F6 British Columbia Report of Exempt Distribution is amended by adding

"□ securitized products issuers***" after "***□ mortgage investment companies***".***

12. National Instrument 45-106 Prospectus and Registration Exemptions is amended by adding the following form:

Form 45-106F7
Information Memorandum for Short-term Securitized Products
Distributed under Section 2.35.1

Instructions:

(1) Using language that is plain and easy to understand by the type of purchaser to whom the issuer's short-term securitized products are offered, provide the information required by this form. No reference need be made to inapplicable items and, unless otherwise required by this form, negative answers may be omitted.

(2) An information memorandum may be used to disclose information about more than one series or class of short-term securitized product. If so, the disclosure required by this form must be provided for each series or class of short-term securitized product distributed under the information memorandum.

(3) This form requires disclosure of certain items, matters or other information referred to as "material". Information is "material" if knowledge of it could reasonably be expected to affect a reasonable investor's decision whether to buy, sell or hold a short-term securitized product.

(4) Include a glossary that defines all technical terms, and includes the following definition:

"**sponsor**" means a person or group of affiliated persons that organizes or initiates the formation of a conduit.

Item 1: Significant Parties

1.1 Provide the conduit's legal name.

1.2 Disclose the conduit's jurisdiction and form of organization.

1.3 Identify each sponsor of the conduit and disclose

(a) whether or not it is a Canadian bank, Schedule II foreign bank subsidiary or Schedule III bank, and

(b) if it is not a financial institution referred to in paragraph (a), whether there is a government department or regulatory authority responsible for overseeing it and, if applicable, the name of the government department or regulatory authority.

1.4 Briefly describe the conduit's structure, business and operations and the key documents that establish the conduit and govern its business and operations.

1.5 Identify each other party, excluding any liquidity provider or any credit enhancement provider for whom disclosure is not required under item 4, that is primarily responsible under the terms of the key documents referred to in section 1.4 for a significant role in the conduit's structure or operations and briefly describe that party's role.

Item 2: Structure

Include one or more diagrams or descriptions that provide the following information in summary form:

(a) how the conduit acquires assets and issues securitized product;

(b) liquidity facilities available to the conduit as disclosed in item 4;

(c) credit enhancements available to the conduit as disclosed in item 4;

(d) material agreements as disclosed in item 9;

(e) the structure of one or more common types of asset transactions into which the conduit may enter.

Item 3: Eligible assets and asset transactions

3.1 Briefly describe the types of asset transactions into which the conduit expects to enter. If applicable, state that the conduit expects to finance the acquisition, origination or refinancing of asset pools from the proceeds of issuing short-term securitized products. Describe any other methods the conduit expects to employ to finance the acquisition, origination or refinancing of asset pools.

3.2 Briefly describe the types of asset eligibility criteria the conduit applies or anticipates applying when entering into asset transactions.

3.3 Briefly describe the types of due diligence or verification procedures that the conduit applies or anticipates applying to asset transactions and asset pools.

3.4 Briefly describe the conduit's approach to concentration limits, liquidity support and credit enhancement in respect of its asset transactions and asset pools.

3.5 Disclose the types of assets that the conduit is permitted to hold in its asset pools.

3.6 Briefly describe how the conduit uses or anticipates using derivatives for the purpose of hedging.

Item 4: Interest alignment, program-wide liquidity support and program-wide credit enhancement

4.1 Briefly describe how the interests of investors are aligned with the interests of the conduit, the sponsor and the parties to asset transactions entered into by the conduit, including any requirement of law that the conduit or the sponsor retain an interest in one or more of the conduit's asset pools or be exposed to the credit risk of assets in one or more of the conduit's asset pools.

4.2 Briefly describe any standard liquidity support arrangements the conduit has entered into or anticipates entering into, excluding liquidity support arrangements that are particular to an asset transaction or asset pool. Include the following information in the description:

(a) the name of each existing liquidity provider;

(b) any minimum credit rating a liquidity provider must have under the terms of the key documents referred to in section 1.4;

(c) the nature of the liquidity support;

(d) a summary of the material terms of each liquidity agreement, including all material conditions to or limitations on the obligation of a liquidity provider to provide liquidity support;

(e) any limitations on the obligation of a liquidity provider to provide same-day funding.

4.3 Briefly describe any standard credit enhancement arrangements that the conduit has entered into or anticipates entering into, excluding credit enhancement arrangements that are particular to an asset transaction or asset pool. Include the following information in the description:

(a) the name of each existing credit enhancement provider;

(b) any minimum credit rating a credit enhancement provider must have under the terms of the key documents referred to in section 1.4;

(c) the form of the credit enhancement;

(d) a summary of the material terms of each credit enhancement agreement, including all material conditions to or limitations on the obligation of a credit enhancement provider to provide credit support.

Item 5: Ownership or security interests in asset pool and priority of payments

5.1 Disclose the ownership or security interest a holder of a short-term securitized product will have in the conduit's asset pools.

5.2 If any other party other than the conduit has or is anticipated to have an ownership or security interest in one or more of the conduit's asset pools, briefly describe the following:

(a) the party's role in the conduit's structure or operations;

(b) the nature of its interest in the asset pool;

(c) the priority of its claims in the event of the conduit's insolvency.

Item 6: Compliance or termination events

6.1 Briefly describe any events or circumstances that would, pursuant to the terms of the conduit's governing documents or material agreements in item 9, constitute an event of default or require the conduit to cease issuing short-term securitized products.

6.2 Briefly describe the types of methods the conduit will use to monitor the performance of or identify adverse changes to an asset pool, such as portfolio performance tests.

6.3 Briefly describe any other structural features that are intended to reduce the risk of loss for a holder of the series or class of short-term securitized products or to protect the holder from material deterioration in respect of either or both of the following:

(a) the credit quality or performance of assets in an asset pool;

(b) the ability of a party in Item 4 to perform its obligations to the conduit.

Item 7: Description of short-term securitized product and offering

Describe the short-term securitized products to be distributed and the distribution procedure and include the following information:

(a) whether short-term securitized products will be issued in certificated (registered or bearer) form or book-entry form and the delivery procedures;

(b) whether short-term securitized products will be sold on a discount basis or on an interest-bearing basis;

(c) the denominations in which short-term securitized products may be issued;

(d) the permitted maturity period for the short-term securitized products, and the ability of the conduit to extend maturity;

(e) the ability of either an investor to redeem prior to maturity or of the conduit to repay prior to maturity;

(f) the maximum aggregate principal amount of short-term securitized products permitted to be outstanding at any one time, or a statement that there is no limit on the maximum aggregate principal amount of short-term securitized products outstanding at any one time;

(g) the key risks related to the conduit that could cause a delay in or non-payment of principal or interest on the short-term securitized product.

Item 8: Additional information about the conduit

8.1 Disclose if the conduit has issued and outstanding, or anticipates issuing, any securities other than the series or class of short-term securitized product to which the information memorandum relates. If the conduit has issued and outstanding, or anticipates issuing, any security other than the series or class of short-term securitized product to which the information memorandum relates, describe that other security, its credit rating, if applicable, and how it will rank, in the event of insolvency of the conduit, relative to the series or class of the conduit's short-term securitized product to which the information memorandum relates.

8.2 Disclose how a potential purchaser can obtain access to disclosure that the conduit is required to provide or make reasonably available in connection with a purchase of a short-term securitized product of the conduit.

8.3 Disclose how a holder of a short-term securitized product of the conduit can obtain access to the disclosure the conduit is required to provide or make reasonably available to a holder of a short-term securitized product of the conduit.

Item 9: Material agreements

9.1 If not disclosed elsewhere in the information memorandum, identify and summarize each agreement to which the conduit is a party and that is material to the conduit's business and operations, excluding agreements that are particular to an asset transaction or asset pool.

9.2 If material and not disclosed elsewhere in the information memorandum, describe the ability of a person to waive or modify the requirements, activities or standards that would apply under an agreement referred to in section 9.1.

Item 10: Date of information memorandum

State the date of the information memorandum.

Item 11: Representation that no misrepresentation

State the following in the information memorandum:

"**This information memorandum does not contain a misrepresentation regarding the conduit, its structure, or operations.**"***.***

13. National Instrument 45-106 Prospectus and Registration Exemptions is amended by adding the following form:

Form 45-106F8
Monthly Disclosure Report for Short-term Securitized Products
Distributed under Section 2.35.1

Instructions:

(1) Using language that is plain and easy to understand by the type of purchaser to whom the issuer's short-term securitized products are offered, provide the information required by this form. No reference need be made to inapplicable items and, unless otherwise required by this form, negative answers may be omitted.

(2) A monthly disclosure report may be used to disclose information about more than one series or class of short-term securitized product. If so, the disclosure required by this form must be provided for each series or class of short-term securitized product to which the monthly disclosure report relates.

(3) This form requires disclosure of certain items, matters or other information referred to as "material". Information is "material" if knowledge of it could reasonably be expected to affect a reasonable investor's decision whether to buy, sell or hold a short-term securitized product.

(4) Include or incorporate by reference a glossary that defines all technical terms, and includes each of the following definitions:

"**seller**" means, in connection with an asset transaction, a person or group of affiliated persons that originates or acquires cash-flow generating assets and sells or otherwise transfers, either directly or indirectly, an ownership or security interest in such assets to a conduit, which assets form one or more asset pools of the conduit.

"**sponsor**" means a person or group of affiliated persons that organizes or initiates the formation of a conduit;

Item 1: Summary of conduit operations and asset pools

Provide a summary of the conduit's operations and asset pools as at the last day of the month for which the monthly disclosure report applies that includes the following:

(a) the total face value of securitized product outstanding;

(b) the aggregate outstanding asset balance of the asset pools;

(c) the number of asset pools in which the conduit has an ownership or security interest;

(d) the number and dollar amount of new asset pools added during the month or other information that in conjunction with information in the report for the prior monthly period will permit an investor to easily calculate such amounts;

(e) the number and dollar amount of asset pools repaid during the month or other information that in conjunction with information in the report for the prior monthly period will permit an investor to easily calculate such amounts;

(f) each type of asset in the conduit's asset pools, expressed as a percentage of the total assets of the conduit's asset pools.

Item 2: Asset transaction information

Provide the following information regarding each of the conduit's asset pools in one or more tables or diagrams as at the last day of the month to which the monthly disclosure report applies:

(a) the type of assets in the asset pool, including whether the assets are revolving or amortizing;

(b) an identifier such as an asset pool, asset transaction or seller number;

(c) the industry of the person or group of affiliated persons that originated the assets;

(d) whether each seller or applicable performance guarantor has an investment grade rating;

(e) the amount of any conduit commitment to acquire assets from a seller for the asset pool;

(f) the balance outstanding on the asset pool;

(g) if available, the number of assets or obligors in the asset pool.

Item 3: Asset transaction credit enhancement

Provide the following information regarding each of the conduit's asset transactions in one or more tables as at the last day of the month to which the monthly disclosure report applies:

(a) the form of each credit enhancement;

(b) the amount of credit enhancement expressed in either of the following forms:

(i) a dollar amount;

(ii) a percentage, including the basis of presentation.

Item 4: Asset transaction performance

Provide the following information regarding each of the conduit's asset transactions in one or more tables as at the last day of the month to which the monthly disclosure report applies:

(a) the default or loss ratio for the month, including the basis of presentation;

(b) information with respect to default experience both for the most recent period and over an extended period of time in the form of ratios or otherwise, provided on a consistent basis for that asset transaction in each monthly disclosure report;

(c) defaults for the month relative to available credit enhancement.

Item 5: Compliance and termination events

Disclose the occurrence of any events or circumstances that the conduit would reasonably expect to have a significant adverse effect on the payment of principal or interest on the series or class of short-term securitized product or require the conduit to cease issuing short-term securitized products.

Item 6: Report Information

State each of the following:

(a) date of the report;

(b) period covered by the report;

(c) contact information, including name, phone number and email address of a contact person for the conduit..

Transitional provisions

14. (1) An information memorandum that is provided to or made reasonably available to a purchaser pursuant to paragraph 2.35.4(1)(a), as enacted by section 9 of this Instrument, need only be prepared in accordance with Form 45-106F7 Information Memorandum for Short-term Securitized Products Distributed under Section 2.35.1 for a distribution of a short term securitized product that takes place on or after November 5, 2015.

(2) A monthly disclosure report that is provided to or made reasonably available to a holder of a short-term securitized product pursuant to an undertaking or agreement in writing required by paragraph 2.35.4(1)(b), as enacted by section 9 of this Instrument, need not be prepared in accordance with Form 45-106F8 Monthly Disclosure Report for Short-term Securitized Products Distributed under Section 2.35.1 for an asset transaction that a conduit entered into on or before November 5, 2015.

15. This Instrument comes into force on May 5, 2015.

5.1.3 Amendments to NI 25-101 Designated Rating Organizations Relating to the Short-term Debt Prospectus Exemption and Short-term Securitized Products

AMENDMENTS TO
NATIONAL INSTRUMENT 25-101 *DESIGNATED RATING ORGANIZATIONS*

1. National Instrument 25-101 Designated Rating Organizations is amended by this Instrument.

2. Section 1 is amended,

(a) in the definition of "*related entity*", by striking out "*securitized product*" and substituting "*structured finance product*", in both instances, and

(b) by striking out the defined term "*securitized product*" and substituting "*structured finance product*".

3. The following provisions of Appendix A are amended by striking out "*securitized product*" and substituting "*structured finance product*":

(a) section 2.9, in both instances;

(b) section 2.19;

(c) section 2.22, in both instances.

4. Appendix A is amended in section 4.5 by striking out "*securitized product*" and substituting "*structured finance product*" and by,

(a) in paragraph (a), striking out "*securitized product*" and substituting "*structured finance product*", in both instances, and

(b) in paragraph (b), striking out "*securitized products*" and substituting "*structured finance products*".

5. Appendix A is amended in sections 4.7 and 4.9 by striking out "*securitized products*" and substituting "*structured finance products*".

6. This Instrument comes into force on May 5, 2015.

5.1.4 Amendments to NI 45-106 Prospectus and Registration Exemptions Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS AND REGISTRATION EXEMPTIONS*

1. National Instrument 45-106 Prospectus and Registration Exemptions is amended by this Instrument.

2. The title of the Instrument is amended by replacing "Prospectus and Registration Exemptions***" with "***Prospectus Exemptions***".***

3. The definition of "accredited investor***" in Section 1.1 is amended***

(a) by replacing paragraphs (a) to (i) with the following:

(a) except in Ontario, a Canadian financial institution, or a Schedule III bank,

(b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),

(c) except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,

(d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,

(e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),

(e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

(f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

(g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,

(h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,

(i) except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,***,***

(b) in paragraph (j), by replacing "that before taxes,***" with "***that, before taxes***",***

(c) by adding the following paragraph:

(j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5 000 000,***,***

(d) by replacing paragraph (q) with the following:

(q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,***, and***

(e) by deleting "or***" at the end of paragraph (u), by adding "***or***" at the end of paragraph (v) and by adding the following paragraph:***

(w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;***.***

4. Section 1.5 is amended

(a) in subsection (1), by deleting "from the dealer registration requirement, or from the prospectus requirement,***", and***

(b) by repealing subsection (2).

5. Subsection 2.2(5) is amended by replacing "Subject to section 8.3.1, if***" with "***If***".***

6. Section 2.3 is amended

(a) by adding the following subsection:

(0.1) In this section, "accredited investor exemption" means

(a) in a jurisdiction other than Ontario, the prospectus exemption under subsection (1), and

(b) in Ontario, the prospectus exemption under subsection 73.3(2) of the *Securities Act* (Ontario).**,**

(b) in each of subsections (2) and (4), by replacing "this section***" with "***the accredited investor exemption***",***

(c) in subsection (5), by replacing "This section***" with "***The accredited investor exemption***", and***

(d) by adding the following subsections:

(6) The accredited investor exemption does not apply to a distribution of a security to an individual described in paragraphs (j), (k) or (l) of the definition of "accredited investor" in section 1.1 [*Definitions*] unless the person distributing the security obtains from the individual a signed risk acknowledgement in the required form at the same time or before that individual signs the agreement to purchase the security.

(7) A person relying on the accredited investor exemption to distribute a security to an individual described in paragraphs (j), (k) or (l) of the definition of "accredited investor" in section 1.1 [*Definitions*] must retain the signed risk acknowledgement required in subsection (6) of this section for 8 years after the distribution.

(8) Subsection (1) does not apply in Ontario**.***.*

7. Section 2.4 is amended

(a) by inserting the following subsection:

(2.1) The following persons are prescribed for purposes of subsection 73.4(2) of the *Securities Act* (Ontario):

(a) a director, officer, employee, founder or control person of the issuer,

(b) a director, officer or employee of an affiliate of the issuer,

(c) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer, founder or control person of the issuer,

(d) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer, founder or control person of the issuer,

(e) a close personal friend of a director, executive officer, founder or control person of the issuer,

(f) a close business associate of a director, executive officer, founder or control person of the issuer,

(g) a spouse, parent, grandparent, brother, sister, child or grandchild of the selling security holder or of the selling security holder's spouse,

(h) a security holder of the issuer,

(i) an accredited investor,

(j) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (i),

(k) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (i), or

(l) a person that is not the public.***,***

(b) in subsection (3), by adding "or, in Ontario, a distribution under subsection 73.4(2) of the *Securities Act* (Ontario)***" after "***a distribution under subsection (2)***", and***

(c) by adding the following subsection:

(5) Subsection (2) does not apply in Ontario.***.***

8. Subsection 2.10(1) is replaced with the following:

2.10 (1) The prospectus requirement does not apply to a distribution of a security to a person if all of the following apply:

(a) that person is not an individual;

(b) that person purchases as principal;

(c) the security has an acquisition cost to that person of not less than $150 000 paid in cash at the time of the distribution;

(d) the distribution is of a security of a single issuer.***.***

9. Section 2.22 is amended by deleting "and in Division 4 of Part 3 of this Instrument***", after "***In this Division***".***

10. Part 3 is repealed.

11. Paragraph 6.1(1)(a) is amended by adding "or, in Ontario, section 73.3 of the *Securities Act* (Ontario) [*Accredited investor*]***" after "***section 2.3 [*Accredited Investor*]***".***

12. Subsection 6.2(2) is amended by replacing "section 2.10 [*Minimum amount*] or section 2.19 [*Additional investment in investment funds*]***" with "***section 2.10 [*Minimum amount investment*] or section 2.19 [*Additional investment in investment funds*], or section 73.3 of the *Securities Act* (Ontario) [*Accredited investor*],***".***

13. Subsection 6.4(1) is amended by deleting "or section 3.9***".***

14. Section 6.5 is amended

(a) by adding the following subsection:

(0.1) The required form of risk acknowledgement under subsection 2.3(6) [*Accredited investor*] is Form 45-106F9.***, and***

(b) ***in subsection (2), by replacing "***or section 3.6 [*Family, friends and business associates*]***" with "***[*Family, friends and business associates – Saskatchewan*]***".***

15. ***The title of section 6.6 is replaced with "***Use of information in Form 45-106F6 Schedule I – British Columbia***".***

16. ***Section 8.1.1 is repealed.***

17. ***Section 8.3.1 is repealed.***

18. ***Section 8.4 is amended by deleting "***or 3.2(5)***".***

19. ***Section 8.5 is repealed.***

20. ***The title to Appendix A is amended by deleting "****and Registration****".***

21. ***The title to Appendix B is amended by deleting "****and Registration****".***

22. ***The Instrument is amended by adding the following form after Form 45-106F6:***

Form 45-106F9
Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: *[Instruction: Include a short description, e.g., common shares.]*	Issuer:
Purchased from: *[Instruction: Indicate whether securities are purchased from the issuer or a selling security holder.]*	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of $_____ . [*Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.	
3. Accredited investor status	
You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	**Your initials**

• Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print)**:**

Signature:	Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON

5. Salesperson information

[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]

First and last name of salesperson (please print):

Telephone:	Email:

Name of firm (if registered):

SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

6. For more information about this investment

For investment in a non-investment fund
[Insert name of issuer/selling security holder]
[Insert address of issuer/selling security holder]
[Insert contact person name, if applicable]
[Insert telephone number]
[Insert email address]
[Insert website address, if applicable]

For investment in an investment fund
[Insert name of investment fund]
[Insert name of investment fund manager]
[Insert address of investment fund manager]
[Insert telephone number of investment fund manager]
[Insert email address of investment fund manager]
[If investment is purchased from a selling security holder, also insert name, address, telephone number and email address of selling security holder here]

For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.

Form instructions*:*

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*

2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*

3. The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.

23. Except in Ontario, this Instrument comes into force on May 5, 2015. In Ontario, this Instrument comes into force on the later of the following:

    (a) May 5, 2015 and

    (b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.5 Amendments to NI 51-102 Continuous Disclosure Obligations Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS*

1. National Instrument 51-102 Continuous Disclosure Obligations is amended by this Instrument.

2. Paragraphs 13.3(2)(c)(iv), 13.3(3)(e)(iv) and 13.4(2)(c)(iv) are amended by replacing "exemptions from the prospectus requirement in section 2.35 and registration requirement in section 3.35 of National Instrument 45-106 *Prospectus and Registration Exemptions"* ***with "***exemption from the prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus Exemptions"*.**

3. Except in Ontario, this Instrument comes into force on May 5, 2015. In Ontario, this Instrument comes into force on the later of the following:

   (a) May 5, 2015 and

   (b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.6 Amendments to MI 11-102 Passport System, MI 13-102 System Fees for SEDAR and NRD, NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, MI 32-102 Registration Exemptions for Non-Resident Investment Fund Managers, NI 33-105 Underwriting Conflicts, NI 41-101 General Prospectus Requirements, NI 45-102 Resale of Securities, NI 51-102 Continuous Disclosure Obligations, NI 52-107 Acceptable Accounting Principles and Auditing Standards, NI 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, and MI 62-104 Take-Over Bids and Issuer Bids Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO SPECIFIED INSTRUMENTS

1. Multilateral Instrument 11-102 Passport System, Multilateral Instrument 13-102 System Fees for SEDAR and NRD, National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, Multilateral Instrument 32-102 Registration Exemptions for Non-Resident Investment Fund Managers, National Instrument 33-105 Underwriting Conflicts, National Instrument 41-101 General Prospectus Requirements, National Instrument 45-102 Resale of Securities, National Instrument 51-102 Continuous Disclosure Obligations, National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, and Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids are amended by this Instrument.

2. The Instruments named in section 1 are amended

(a) by replacing "National Instrument 45-106 Prospectus and Registration Exemptions***" with "***National Instrument 45-106 *Prospectus Exemptions****" wherever the expression occurs,***

(b) by replacing "National Instrument 45-106 – *Prospectus and Registration Exemptions****" with "***National Instrument 45-106 *Prospectus Exemptions****" wherever the expression occurs, and***

(c) by replacing "National Instrument 45-106 *Prospectus and Registration Exemptions****" with "***National Instrument 45-106 *Prospectus Exemptions****" wherever the expression occurs.***

3. Except in Ontario, this Instrument comes into force on May 5, 2015. In Ontario, this Instrument comes into force on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.7 Amendments to OSC Rule 45-501 Ontario Prospectus and Registration Exemptions Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO
OSC RULE 45-501 *ONTARIO PROSPECTUS AND REGISTRATION EXEMPTIONS*

1. OSC Rule 45-501 Ontario Prospectus and Registration Exemptions is amended by this Instrument.

2. Section 1.1 is amended

(a) by deleting the definition of "government incentive security***", and***

(b) by deleting "*and Registration****" from the definition of "***NI 45-106***".***

3. The instrument is amended by adding the following section:

2.0 **Government incentive security**

The following are prescribed as government incentive securities under subsection 73.5(1) of the Act:

1. a security, or unit or interest in a partnership that invests in a security, that is issued by a company and for which the company has agreed to renounce in favour of the holder of the security, unit or interest, amounts that will constitute Canadian exploration expense, as defined in subsection 66.1(6) of the ITA, Canadian development expense, as defined in subsection 66.2(5) of the ITA, or Canadian oil and gas property expense, as defined in subsection 66.4(5) of the ITA, or

2. a unit or interest in a partnership or joint venture that is issued in order to fund Canadian exploration expense, as defined in subsection 66.1(6) of the ITA, Canadian development expense, as defined in subsection 66.2(5) of the ITA, or Canadian oil and gas property expense, as defined in subsection 66.4(5) of the ITA;**.**

4. Subsection 2.1(1) is amended by replacing the words before paragraph (a) with the following:

(1) For the purpose of section 73.5 of the Act, the prospectus requirement does not apply to a distribution of a government incentive security by an issuer or a promoter of an issuer of a security of the issuer, if all of the following apply:**.**

5. Section 2.2 is amended by replacing "section 2.1***" with "***section 73.5 of the Act***" wherever it occurs.***

6. Section 2.4 is repealed.

7. Section 2.5 is repealed.

8. Section 2.6 is repealed.

9. Section 3.0 is replaced with the following:

3.0 **Application** – Part 3, except for sections 3.3 and 3.4, does not apply**.**

10. Part 4 is repealed.

11. Section 5.1 is amended

(a) in paragraph (a), by replacing "section 2.3 of NI-45-106***" with "***section 73.3 of the Act or a predecessor exemption to section 73.3 of the Act***",***

(b) in paragraph (b), by replacing "section 2.4 of NI-45-106***" with "***section 73.4 of the Act or a predecessor exemption to section 73.4 of the Act***", and***

(c) in paragraph (g), by replacing "section 2.1***" with "***section 73.5 of the Act or a predecessor exemption to section 73.5 of the Act***".***

12. ***Section 5.2(2) is amended by replacing "***section 2.3 of NI 45-106***" with "***section 73.3 of the Act or a predecessor exemption to section 73.3 of the Act***".***

13. ***Section 6.1 is amended by replacing "***section 2.1***" with "***section 73.5 of the Act or a predecessor exemption to section 73.5 of the Act***".***

14. ***Section 7.1 is amended by replacing "***Part 7***" with "***Part 6***".***

15. ***Section 8.1 is repealed.***

16. This Instrument comes into force on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.8 Amendments to NI 45-102 Resale of Securities Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO NATIONAL INSTRUMENT 45-102
RESALE OF SECURITIES

1. National Instrument 45-102 Resale of Securities is amended by this Instrument.

2. Appendix D is amended

(a) in the list preceding "Transitional and Other Provisions",

(i) by replacing "section 2.3 [*Accredited investor*];***" with "***section 2.3 [*Accredited investor*] *(except in Ontario)*;***", and***

(ii) by adding "section 73.3 of the *Securities Act* (Ontario) [*Accredited Investor*];***" after "***clauses 77(1)(u) and (w) and subclauses 77(1)(ab)(ii) and (iii) of the *Securities Act* (Nova Scotia);***",***

(b) in section "3. Ontario Provisions"

(i) by amending the definition of "Type 1 trade"

A. by replacing "from the prospectus requirement in:" ***immediately before paragraph (a) with "***from the prospectus requirement in any of the following:***"***

B. by deleting "or***" at the end of paragraph (c),***

C. by deleting "and***" at the end of paragraph (d), and by adding the following paragraph:***

(e) section 2.1 and section 2.2 of the 2009 OSC Rule 45-501, and***,***

(ii) by adding the following paragraphs after "section 2.5 of MI 45-102***" in paragraph (a) – Securities Act Ontario***

- Section 73.5 of the *Securities Act* (Ontario) [*Government incentive security*]***,***

(a.1) National Instrument 45-106

- Section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* prior to subsection 12(2) of Schedule 26 of the *Budget Measures Act*, 2009 being proclaimed in force.**",**

(iii) by replacing paragraph (b) with the following:

– 2005 OSC Rule 45-501 and 2009 OSC Rule 45-501

- Section 2.1 of the 2005 OSC Rule 45-501 and sections 2.1 and 2.2 of the 2009 OSC Rule 45-501.

3. Appendix E is amended

(a) in the list preceding "Transitional and Other Provisions"

(i) by replacing "section 2.4 [*Private issuer*];***" with "***section 2.4 [*Private issuer*], except in Ontario;***", and***

(ii) by adding "Section 73.4 of the *Securities Act* (Ontario) [*Private issuer*];***", before*** "Prince Edward Island Local Rule 45-510 – *Exempt Distributions – Exemption for Trades Pursuant to Take Over Bids and Issuer Bids*;***", and***

(b) by adding the following paragraph to section "3. Ontario provisions***"***

(a.1) National Instrument 45-106

Section 2.4 of National Instrument 45-106 *Prospectus and Registration Exemptions* prior to subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* being proclaimed in force.

4. Form 45-102F1 is amended by replacing the contact information for the Ontario Securities Commission with the following:

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Public official contact regarding collection of personal information:
Inquiries Officer

5. This Instrument comes into force on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.9 Amendments to OSC Rule 91-502 Trades in Recognized Options – Rule Under the Securities Act Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO OSC RULE 91-502
TRADES IN RECOGNIZED OPTIONS – RULE UNDER THE SECURITIES ACT

1. OSC Rule 91-502 Trades in Recognized Options – Rule Under the Securities Act is amended by this Instrument.

2. Subsection 2.2(1) is amended by deleting **"**section 3.1 of NI 45-106 *Prospectus and Registration Exemptions* and**".**

3. This Instrument comes into force on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.10 Amendments to OSC Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission, OSC Rule 13-502 Fees, OSC Rule 91-501 Strip Bonds, and OSC Rule 48-501 Trading during Distributions, Formal Bids and Share Exchange Transactions Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

AMENDMENTS TO SPECIFIED OSC RULES

1. OSC Rule 11-501 – Electronic Delivery of Documents to the Ontario Securities Commission, OSC Rule 13-502 – Fees, OSC Rule 91-501 – Strip Bonds, and OSC Rule 48-501 – Trading during Distributions, Formal Bids and Share Exchange Transactions are amended by this Instrument.

2. The OSC Rules named in section 1 are amended

(a) by replacing **"**NI 45-106 *Prospectus and Registration Exemptions***" with "***NI 45-106 *Prospectus Exemptions***" wherever the expression occurs, and***

(b) by replacing **"**National Instrument 45-106 *Prospectus and Registration Exemptions***" with "***National Instrument 45-106 *Prospectus Exemptions****" wherever the expression occurs.***

3. This Instrument comes into force on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.11 Amendments to NI 45-106 Prospectus and Registration Exemptions Relating to the Family, Friends and Business Associates Exemption

AMENDING INSTRUMENT FOR NATIONAL INSTRUMENT 45-106
PROSPECTUS AND REGISTRATION EXEMPTIONS

1. National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) is amended by this Instrument.

2. Subsection 2.5(1) is amended by replacing

"Except in Ontario and subject to section 2.6 [*Family, friends and business associates – Saskatchewan*],**"**

with

"Subject to section 2.6 [*Family, friends and business associates — Saskatchewan*] and section 2.6.1 [*Family, friends and business associates – Ontario*],**".**

3. This Instrument is amended by adding the following section:

Family, friends and business associates – Ontario

2.6.1 (1) In Ontario, section 2.5 [*Family, friends and business associates*] does not apply to a distribution of a security of an issuer unless all of the following are satisfied:

(a) the issuer is not an investment fund;

(b) the person making the distribution obtains a risk acknowledgement signed by all of the following:

(i) the purchaser;

(ii) an executive officer of the issuer other than the purchaser;

(iii) if the purchaser is a person referred to under paragraph 2.5(1)(b), the director, executive officer or control person of the issuer or an affiliate of the issuer who has the specified relationship with the purchaser;

(iv) if the purchaser is a person referred to under paragraph 2.5(1)(c), the director, executive officer or control person of the issuer or an affiliate of the issuer whose spouse has the specified relationship with the purchaser;

(v) if the purchaser is a person referred to under paragraph 2.5(1)(d) or (e), the director, executive officer or control person of the issuer or an affiliate of the issuer who is a close personal friend or a close business associate of the purchaser; and

(vi) the founder of the issuer, if the purchaser is a person referred to in paragraph 2.5(1)(f) or (g) other than the founder of the issuer.

(2) The person making the distribution must retain the required form referred to in subsection (1) for 8 years after the distribution.**.**

4. Section 2.7, as replaced by section 6 of a concurrent amending instrument entitled *Amendments to National Instrument 45-106 Prospectus and Registration Exemptions*, is repealed.

5. Section 6.5 is amended by adding the following subsection:

(3) In Ontario, the required form of risk acknowledgement under section 2.6.1 [*Family, friends and business associates – Ontario*] is Form 45-106F12.**.**

6. This Instrument is amended by adding the following form:

Form 45-106F12
Risk Acknowledgement Form for Family, Friend and Business Associate Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER	
1. About your investment	
Type of securities: *[Instruction: Include a short description, e.g., common shares.]*	Issuer:

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	**Your initials**
Risk of loss – You could lose your entire investment of $_____ . *[Instruction: Insert the total dollar amount of the investment.]*	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment. The information you receive may be limited to the information provided to you by the family member, friend or close business associate specified in section 3 of this form.	
3. Family, friend or business associate status	
You must meet one of the following criteria to be able to make this investment. Initial the statement that applies to you:	**Your initials**
A) You are: *1) [check all applicable boxes]* ☐ a director of the issuer or an affiliate of the issuer ☐ an executive officer of the issuer or an affiliate of the issuer ☐ a control person of the issuer or an affiliate of the issuer ☐ a founder of the issuer OR *2) [check all applicable boxes]* ☐ a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above ☐ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above	

B) You are a family member of _____ *[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You are the _____of that person or that person's spouse. *[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]*	
C) You are a close personal friend of _____ *[Instruction: Insert the name of your close personal friend]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	
D) You are a close business associate of _____ *[Instruction: Insert the name of your close business associate]*, who holds the following position at the issuer or an affiliate of the issuer: _____. You have known that person for _____ years.	

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.

First and last name (please print)**:**

Signature:	Date:

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE

5. Contact person at the issuer or an affiliate of the issuer

[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]

By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: *[check the box that applies]*

- ☐ family relationship as set out in section 3B of this form
- ☐ close personal friendship as set out in section 3C of this form
- ☐ close business associate relationship as set out in section 3D of this form

First and last name of contact person *[please print]*:

Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):

Telephone:	Email:
Signature:	Date:

SECTION 6 TO BE COMPLETED BY THE ISSUER	
6. For more information about this investment	
[Insert name of issuer] *[Insert address of issuer]* *[Insert contact person name]* *[Insert telephone number]* *[Insert email address]* *[Insert website address, if applicable]* **For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.**	
Signature of executive officer of the issuer (other than the purchaser):	Date:

***Form instructions**:*

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*

2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*

3. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*

4. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus and Registration Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus and Registration Exemptions.*

7. This Instrument comes into force on May 5, 2015.

5.1.12 Amendments to NI 45-102 Resale of Securities Relating to the Family, Friends and Business Associates Exemption

AMENDING INSTRUMENT FOR NATIONAL INSTRUMENT 45-102 *RESALE OF SECURITIES*

1. National Instrument 45-102 *Resale of Securities* is amended by this Instrument.

2. APPENDIX D is amended

(a) in the list preceding section "1. General", by replacing

- section 2.5 [*Family, friends and business associates*] (except in Ontario);
- section 2.7 [*Founder, control person and family*] (Ontario);

with

- section 2.5 [*Family, friends and business associates*];**, and**

(b) in section "3. Ontario Provisions" by

(i) replacing the definition of "2009 OSC Rule 45-501" with the following:

"2009 OSC Rule 45-501" means the Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemption* that came into force on the later of (a) September 28, 2009 and (b) the day on which sections 5 and 11, subsection 12(1) and section 13 of Schedule 26 of the *Budget Measures Act, 2009* were proclaimed into force;**,**

(ii) adding the following definitions:

"2005 NI 45-106" means the National Instrument 45-106 *Prospectus and Registration Exemptions* that came into effect on September 14, 2005;

"2009 NI 45-106" means the National Instrument 45-106 *Prospectus and Registration Exemptions* that came into effect on September 28, 2009;**, and**

(iii) adding the following paragraph:

(a.1) – 2005 NI 45-106 and 2009 NI 45-106

Section 2.7 of the 2005 NI 45-106 and the 2009 NI 45-106..

3. This Instrument comes into force on May 5, 2015.

5.1.13 Amendments to OSC Rule 45-501 Ontario Prospectus and Registration Exemptions Relating to the Family, Friends and Business Associates Exemption

AMENDING INSTRUMENT FOR OSC RULE 45-501
ONTARIO PROSPECTUS AND REGISTRATION EXEMPTIONS

1. OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* is amended by this Instrument.

2. Section 5.1 is amended

(a) by adding the following paragraph:

(b.1) section 2.5 of NI 45-106 [*Family, friends and business associates*]**, and**

(b) by repealing paragraph (c).

3. This Instrument comes into force on May 5, 2015.

5.1.14 Companion Policy 45-106CP Prospectus and Registration Exemptions (Blackline of Changes Relating to the Accredited Investor, Minimum Amount Investment and Short-term Debt Prospectus Exemptions and Short-term Securitized Products)

BLACKLINE OF CHANGES TO
~~AMENDED AND RESTATED~~
COMPANION POLICY 45-106CP
PROSPECTUS~~ AND REGISTRATION~~ EXEMPTIONS

COMPANION POLICY 45-106CP
PROSPECTUS ~~AND REGISTRATION~~ EXEMPTIONS

PART 1 – INTRODUCTION

National Instrument 45-106 *Prospectus ~~and Registration~~ Exemptions* (~~"~~NI 45-106~~"~~) provides: (i) exemptions from the prospectus requirement~~;~~ and (ii) ~~exemptions from registration requirements; and (iii)~~ one exemption from the issuer bid requirements. ~~The registration exemptions in Part 3 of NI 45-106 will not apply in any jurisdiction **six months** after~~It does not provide exemptions from the requirement to be registered as a dealer, adviser or investment fund manager. National Instrument 31-103 *Registration Requirements ~~and~~, Exemptions and Ongoing Registrant Obligations* (~~"~~NI 31-103~~"~~) ~~comes into force. A subset of registration exemptions will continue to apply after the six month transition period and will be located in NI 31-103.~~) contains some exemptions from the registration requirement.

1.1 Purpose

The purpose of this Companion Policy is to help users understand how the provincial and territorial securities regulatory authorities and regulators interpret or apply certain provisions of NI 45-106. This Companion Policy includes explanations, discussion and examples of the application of various parts of NI 45-106.

1.2 All distributions and other trades are subject to securities legislation

The securities legislation of a local jurisdiction applies to any trade in, or distribution of, a security in the local jurisdiction, whether or not the issuer of the security is a reporting issuer in that jurisdiction. Likewise, the definition of "trade" in securities legislation includes any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of a trade. A person who engages in these activities, or other trading activities, must comply with the securities legislation of each jurisdiction in which the trade or distribution occurs.

1.3 Multi-jurisdictional distributions

A distribution can occur in more than one jurisdiction. If it does, the person conducting the distribution must comply with the securities legislation of each jurisdiction in which the distribution occurs. For example, a distribution from a person in Alberta to a purchaser in British Columbia may be considered a distribution in both jurisdictions.

1.4 Other exemptions

In addition to the exemptions in NI 45-106, exemptions may also be available to persons under securities legislation of each local jurisdiction. ~~The CSA has issued CSA Staff Notice 45-304 that lists other exemptions available under securities legislation.~~

1.5 Discretionary relief

In addition to the exemptions contained in NI 45-106 and those available under securities legislation of a local jurisdiction, the securities regulatory authority or regulator in each jurisdiction has the discretion to grant exemptions from the prospectus requirement ~~and the registration requirements~~.

1.6 ~~Advisers~~ Registration business trigger for trading and advising

Securities legislation requires certain persons to be registered if they are any of the following:

- in the business of trading
- in the business of advising
- ~~Subsection 1.5(2) of NI 45-106 provides that an exemption from the dealer registration requirement in NI 45-106 is deemed to be an exemption from the underwriter registration requirement. However, it is not deemed to be an exemption from the adviser registration requirement. The adviser registration requirement is distinct from the dealer registration requirement. In general terms, persons engaged in the business of, or holding themselves out as being in the business of, providing investment advice are required to be registered, or exempted from registration, under applicable securities legislation. Accordingly, only advisers registered or exempted from registration as advisers may act as advisers in connection with a trade made under NI 45-106.~~holding themselves out as being in the business of trading or advising
- acting as an underwriter

- acting as an investment fund manager

NI 31-103 sets out the requirements for registration as well as certain exemptions from these registration requirements.

Issuers relying on prospectus exemptions to distribute securities, or any selling agents they use, may be required to be registered. Companion Policy 31-103CP gives guidance to issuers on how to apply the registration business trigger.

1.7 Underwriters

Underwriters should not sell securities to the public without providing a prospectus. If an underwriter purchases securities with a view to distribution, the underwriter should purchase the securities under the prospectus exemption in section 2.33 of NI 45-106. If the underwriter purchases securities under this exemption, the first trade in the securities will be a distribution. As a result, the underwriter will only be able to resell the securities if it can rely on another exemption from the prospectus requirement, or if a prospectus is delivered to the purchasers of the securities.

There may be legitimate transactions where a dealer purchases securities under a prospectus exemption other than the exemption in section 2.33 of NI 45-106; however, these transactions are only appropriate when the dealer purchases the securities with investment intent and not with a view to distribution.

If a dealer purchases securities through a series of exempt transactions in order to avoid the obligation to deliver a prospectus, the transactions will be viewed as a whole to determine if they constitute a distribution. If a transaction is in effect an indirect distribution, a prospectus will be required to qualify the sale of the securities despite the fact that each interim step in the transaction could otherwise be completed under a prospectus exemption. Such indirect distributions cannot be legitimately structured under NI 45-106.

1.8 Persons created to use exemptions ("syndication")

Sections 2.3(5), ~~3.3(5),~~ 2.4(1), ~~3.4(1),~~ 2.9(3)~~, 3.9(3),~~ and 2.10(2) ~~and 3.10(2)~~ of NI 45-106 specifically prohibit syndications. A distribution ~~or a trade~~ of securities to a person that had no pre-existing purpose and is created or used solely to purchase or hold securities under exemptions (a "syndicate") may be considered a distribution of~~, or trade in,~~ securities to the persons beneficially owning or controlling the syndicate.

For example, a newly formed company with 15 shareholders is set up with the intention of purchasing $150 000 worth of securities under the minimum amount investment exemption. Each shareholder of the newly formed company contributes $10 000. In this situation the shareholders of the newly formed company are indirectly investing $10 000 when the exemption requires that they each invest $150 000. Consequently, both the newly formed company and its shareholders may need to comply with the requirements of the minimum amount investment exemption, or find an alternative exemption to rely on.

Syndication related concerns should not ordinarily arise if the purchaser under the exemption is a corporation, syndicate, partnership or other form of entity that is pre-existing and has a bona fide purpose other than investing in the securities being sold. However, it is an inappropriate use of these exemptions to indirectly distribute ~~or trade~~ securities when the exemption is not available to directly distribute~~ or trade~~ securities to each person in the syndicate.

1.9 Responsibility for compliance and verifying purchaser status

(1) Determining whether an exemption is available

The prospectus exemptions in NI 45-106 set out specific terms and conditions that must be satisfied in order for the person relying on the exemption to distribute securities. The person relying on a prospectus exemption is responsible for determining whether the terms and conditions of the prospectus exemption are met. That person should retain all necessary documents to demonstrate that they properly relied on the exemption.

Some of the prospectus exemptions in NI 45-106 are available to both issuers and selling security holders. For purposes of this section, the term "seller" refers to the person relying on a prospectus exemption, whether an issuer or a selling security holder.

(2) Registration related requirements

Registered dealers and representatives have specific obligations under NI 31-103, including the "know your client," "know your product" and suitability obligations. These obligations apply to securities traded on a marketplace, distributed under a prospectus or distributed under a prospectus exemption.

Registered dealers or representatives may be involved in distributions under prospectus exemptions in different ways. The registered dealer or representative may be acting on behalf of a seller in connection with a distribution using a prospectus exemption.

In both cases, the registered dealer or representative must not only establish that a prospectus exemption is available, it must also comply with its registration obligations. For example, even if a registered dealer or representative has determined that a purchaser qualifies as an accredited investor or eligible investor, the registered dealer or representative must still assess whether the investment is suitable for the purchaser.

(3) Exemptions based on purchaser characteristics

Some of the prospectus exemptions in NI 45-106 require the purchaser of the securities to meet certain characteristics or have certain relationships with a director, executive officer, founder or control person of the issuer. These exemptions include:

- Exemptions based on income or asset tests – The accredited investor exemption and the "eligible investor" test in the offering memorandum exemption in some jurisdictions require a purchaser to meet certain income or asset tests in order for securities to be sold in reliance on the exemption.

- Exemptions based on relationships – The private issuer exemption, the family, friends and business associates exemption and the "eligible investor" test in the offering memorandum exemption in some jurisdictions require a relationship between the purchaser and a director, executive officer, founder or control person of the issuer, such as that of a family member, close personal friend, or close business associate.

When distributing securities under these exemptions, the seller will have to obtain information from the purchaser in order to determine whether the purchaser has the requisite income, assets or relationship to meet the terms of the exemption.

It will not be sufficient for the seller to accept standard representations in a subscription agreement or an initial beside a category on Form 45-106F9 *Form for Individual Accredited Investors* unless the seller has taken reasonable steps to verify the representations made by the purchaser.

(4) Reasonable steps

Described below are procedures that a seller could implement in order to reasonably confirm that the purchaser meets the conditions for a particular exemption. Whether the types of steps are reasonable will depend on the particular facts and circumstances of the purchaser, the offering and the exemption being relied on, including:

- how the seller identified or located the potential purchaser

- what category of accredited investor or eligible investor the purchaser claims to meet

- what type of relationship the purchaser claims to have and with which director, executive officer, founder or control person of the issuer

- how much and what type of background information is known about the purchaser

- whether the person who meets with, or provides information to, the purchaser is registered

We expect a seller to be in a position to explain why certain steps were not taken or to be able to explain how alternative steps were reasonable in the circumstances. It is the seller that is relying on the prospectus exemption and it is the seller that is responsible to ensure the terms of the exemption are met. If the seller has any reservations about whether the purchaser qualifies under the exemption, the seller should not sell securities to the purchaser in reliance on that exemption.

(a) Understand the terms and conditions of the exemption

The seller should fully understand the terms and conditions of the exemption being relied on. "Understanding" includes being able to:

- Explain the terms and conditions – The seller must be able to explain to a purchaser the meaning of the terms and conditions of the particular exemption, including the difference between alternative qualification criteria for the same exemption.

  For example, the accredited investor definition uses the terms "financial assets" and "net assets". In some jurisdictions, the offering memorandum exemption also uses the term "net assets" as part of the eligible

investor definition. A seller should be capable of explaining the meaning and differences between the two terms, including describing the specific assets and liabilities that form part of each calculation.

- Apply the specific facts of the purchaser to the terms and conditions – The terms "close personal friend" and "close business associate" used in some exemptions are difficult to define and can mean different things to different people. Sections 2.7 and 2.8 of this Companion Policy provide guidance on the key elements necessary to establish these types of relationships. We have not provided a "bright line" test for these relationships. A seller should understand the key elements of these relationships and be able to evaluate whether the relationship claimed by the purchaser meets those key elements.

(b) Establish appropriate policies and procedures

The seller is also responsible for confirming that all parties acting on behalf of the seller in a distribution understand the conditions that must be satisfied to rely on the exemption. This includes any employee, officer, director, agent, finder or other intermediary (whether registered or not) involved in the transaction.

We expect a seller to have policies and procedures in place to confirm that these other parties understand the exemption being relied on, are able to describe the terms of the exemption to purchasers and know what information and documentation must be obtained from purchasers to confirm the conditions of the exemption have been satisfied.

(c) Verify the purchaser meets the criteria set out in the exemption

Before discussing the details of an investment with a prospective purchaser, we expect the seller to obtain information that confirms the purchaser meets the criteria set out in the exemption. It would not be sufficient for a seller to rely solely on a form of subscription agreement or other document that only states: "I am an accredited investor" or "I am a friend of a director".

~~A person distributing or trading securities is responsible for determining when an exemption is available. In determining whether an exemption is available, a person may rely on factual representations by a purchaser, provided that the person has no reasonable grounds to believe that those representations are false. However, the person distributing or trading securities is responsible for determining whether, given the facts available, the exemption is available. Generally, a person distributing or trading securities under an exemption should retain all necessary documents that show the person properly relied upon the exemption.~~
We would also have concerns if a seller only accepted detailed representations or an initial beside a category on the Form 45-106F9 *Form for Individual Accredited Investors* from the purchaser. In both cases, we expect the seller to take additional steps to confirm that the purchaser understood the meaning of what the purchaser was signing or initialing and that the purchaser was truthful in making the representation or initialing the category.

For example~~, an issuer distributing securities to a close personal friend of a director could require that the purchaser provide a signed statement describing the purchaser's relationship with the director. On the basis of that factual information, the issuer could determine whether the purchaser is a close personal friend of the director for the purposes of a family, friends and business associates exemption. The issuer should not rely merely on a representation: "I am a close personal friend of a director". Likewise, under the accredited investor exemptions, the seller must have a reasonable belief that the purchaser understands the meaning of the definition of "accredited investor". Prior to discussing the particulars of the investment with the purchaser, the seller should discuss with the purchaser the various criteria for qualifying as an accredited investor and whether the purchaser meets any of the criteria.~~:

- ~~It is not appropriate for a person to assume an exemption is available. For instance a seller should not accept a form of subscription agreement that only states that the~~Exemptions based on income or asset tests – To assess whether a purchaser is an accredited investor~~. Rather the seller should request that the purchaser provide the details on how they fit within the accredited investor definition.~~ or eligible investor, we expect the seller to ask questions about the purchaser's net income, financial assets or net assets, or to ask other questions designed to elicit details about the purchaser's financial circumstances.

  If the seller has concerns about the purchaser's responses, the seller should make further inquiries about the purchaser's financial circumstances. If the seller still questions the purchaser's eligibility, the seller could ask to see documentation that independently confirms the purchaser's claims.

- Exemptions based on relationships – If an exemption is based on the existence of a specific relationship between the purchaser and a principal of the issuer (such as that of a family member, "close personal friend" or "close business associate"), we expect the seller to ask questions designed to confirm the nature and length of the relationship. The seller should also confirm the nature and length of the relationship with the director, executive officer, founder or control person identified by the purchaser.

For example, if the purchaser claims to be a close personal friend of a director of an issuer, the seller could ask the purchaser for the name of the director and a description of the nature and length of the purchaser's relationship with the director. The seller could verify with the director that the information is accurate. Based on that factual information, the seller could determine whether the purchaser is a close personal friend of the director for the purposes of the family, friends and business associates exemption.

(d) Keep relevant and detailed documentation

The seller should consider what documentation it needs to retain or collect from a purchaser to evidence the steps the seller followed to establish the purchaser met the conditions of the exemption.

The seller should consider whether it is necessary to have the purchaser sign that documentation before distributing securities to that purchaser. For example, if the purchaser claims to be a close personal friend of a director of the issuer, the seller could ask the purchaser to sign a statement giving the name of the director and describing the nature and length of the purchaser's relationship with the director. The seller could also ask the director to sign the statement confirming the relationship. In other cases, the seller may determine it is not necessary for the purchaser to sign the documentation, for example, if the seller is using meeting notes and email communications to demonstrate its verification efforts.

The seller should retain this documentation to evidence the steps the seller has taken to verify the availability of the exemption. Certain exemptions require the seller to obtain a signed risk acknowledgement form from the purchaser and to retain that risk acknowledgement for 8 years after the distribution. The 8-year period reflects the longest limitation period under securities legislation in Canada. The seller should consider local legislation concerning limitation periods when deciding how long to retain other documentation it considers necessary to demonstrate that it complied with the exemption.

The seller should also consider and comply with the requirements under provincial or federal legislation concerning the protection of personal information when collecting and retaining purchaser information.

1.10 Prohibited activities

Securities legislation in certain jurisdictions prohibits any person from making certain representations to a purchaser of securities, including an undertaking about the future value or price of the securities. In certain jurisdictions, these provisions also prohibit a person from making any statement that the person knows or ought reasonably to know is a misrepresentation. These prohibitions apply whether or not a trade or distribution is made under an exemption.

Misrepresentation is defined in securities legislation. The use of exaggeration, innuendo or ambiguity in an oral or written representation about a material fact, or other deceptive behaviour relating to a material fact, might be a misrepresentation.

PART 2 – INTERPRETATION

2.1 Definitions

Unless defined in NI 45-106, terms used in NI 45-106 have the meaning given to them in local securities legislation or in National Instrument 14-101 *Definitions.*

The term "contract of insurance" in the definition of "financial assets" has the meaning assigned to it in the legislation for the jurisdiction referenced in Appendix A of NI 45-106.

2.2 Executive officer ("policy making function")

The definition of "executive officer" in NI 45-106 is based on the definition of the same term contained in National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102").

Paragraph (c) of the definition "executive officer" includes individuals that are not employed by the issuer or any of its subsidiaries, but who perform a policy-making function in respect of the issuer.

The definition includes someone who "performs a policy-making function" in respect of the issuer. The CSA is of the view that an individual who "performs a policy-making function" in respect of an issuer is someone who is responsible, solely or jointly with others, for setting the direction of the issuer and is sufficiently knowledgeable of the business and affairs of the issuer so as to be able to respond meaningfully to inquiries from investors about the issuer.

2.3 Directors, executive officers and officers of non-corporate issuers

The term "director" is defined in NI 45-106 and it includes, for non-corporate issuers, individuals who perform functions similar to those of a director of a company.

When the term "officer" is used in NI 45-106, or any of the NI 45-106 forms, a non-corporate issuer should refer to the definitions in securities legislation. Securities legislation in most jurisdictions defines "officer" to include any individual acting in a capacity similar to that of an officer of a company. Therefore, in most jurisdictions, non-corporate issuers must determine which individuals are acting in capacities similar to that of directors and officers of corporate issuers, for the purposes of complying with NI 45-106 and its forms.

For example, the determination of who is acting in the capacity of a director or executive officer may be important where a person intends to distribute ~~or trade~~ securities of a limited partnership under an exemption that is conditional on a relationship with a director or executive officer. The person must conclude that the purchaser has the necessary relationship with an individual who is acting in a capacity with the limited partnership that is similar to that of a director or executive officer of a company.

2.4 Founder

The definition of "founder" includes a requirement that, at the time of the distribution of~~, or trade in,~~ a security the person be actively involved in the business of the issuer. Accordingly, a person who takes the initiative in founding, organizing or substantially reorganizing the business of the issuer within the meaning of the definition but subsequently ceases to be actively engaged in the day to day operations of the business of the issuer would no longer be a "founder" for the purposes of NI 45-106, regardless of the person's degree of prior involvement with the issuer or the extent of the person's continued ownership interest in the issuer.

2.5 Investment fund

Generally, the definition of "investment fund" would not include a trust or other entity that issues securities that entitle the holder to net cash flows generated by: (i) an underlying business owned by the trust or other entity, or (ii) the income-producing properties owned by the trust or other entity. Examples of trusts or other entities that are not included in the definition are business income trusts, real estate investment trusts and royalty trusts.

2.6 Affiliate, control and related entity

(1) Affiliate

Section 1.3 of NI 45-106 contains rules for determining whether persons are affiliates for the purposes of NI 45-106, which may be different than those contained in other securities legislation.

(2) Control

The concept of control has two different interpretations in NI 45-106. For the purposes of Division 4 of Part 2 ~~and Division 4 of Part 3 (trades to employees~~(employee, executive ~~officers, directors and consultants~~officer, director and consultant exemptions), the interpretation of control is contained in section 2.23(1)~~ and section 3.23(1), respectively~~. For the purposes of the rest of NI 45-106, the interpretation of control is found in section 1.4 of NI 45-106. The reason for having two different interpretations of control is that the exemptions for distributions of~~, and trades in,~~ securities to employees, executive officers, directors and consultants require a broader concept of control than is considered necessary for the rest of NI 45-106 to accommodate the issuance of compensation securities in a wide variety of business structures.

2.7 Close personal friend

For ~~the~~ purposes of both the private issuer ~~exemptions~~exemption in section 2.4 of NI 45-106 and the family, friends and business associates ~~exemptions,~~exemption in section 2.5 of NI 45-106, a "close personal friend" of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. The term "close personal friend" can include a family member who is not already specifically identified in the exemptions if the family member satisfies the criteria described above.

We consider the following factors as relevant to this determination:

(a) the length of time the individual has known the director, executive officer, founder or control person,

(b) the nature of the relationship between the individual and the director, executive officer, founder or control person including such matters as the frequency of contacts between them and the level of trust and reliance in the other circumstances, and

(c) the number of "close personal friends" of the director, executive officer, founder or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close personal friend solely because the individual is:

(a) a relative,

(b) a member of the same club, organization, association or religious group,

(c) a co-worker, colleague or associate at the same workplace,

(d) a client, customer, former client or former customer,

(e) a mere acquaintance, or

(f) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the individual and the director, executive officer, founder or control person must be direct. For example, the exemption is not available to a close personal friend of a close personal friend of a director of the issuer.

~~An individual is not a close personal friend solely because the individual is:~~

~~(a) a relative,~~

~~(b) a member of the same organization, association or religious group, or~~

We would not consider a relationship that is primarily founded on participation in an Internet forum to be that of a close personal friend.

~~(c) a client, customer, former client or former customer.~~

The person relying on the exemption is responsible for determining that the purchaser meets the characteristics required under the exemption. See section 1.9 of this Companion Policy for guidance on how to verify and document purchaser status.

2.8 Close business associate

For the purposes of both the private issuer ~~exemptions~~exemption in section 2.4 of NI 45-106 and the family, friends and business associates ~~exemptions,~~exemption in section 2.5 of NI 45-106, a "close business associate" is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment.

We consider the following factors as relevant to this determination:

(a) the length of time the individual has known the director, executive officer, founder or control person,

(b) the nature of any specific business relationships between the individual and the director, executive officer, founder or control person, including, for each relationship, when it began, the frequency of contact between them and when it terminated if it is not ongoing, and the level of trust and reliance in the other circumstances,

(c) the nature and number of any business dealings between the individual and the director, executive officer, founder or control person, the length of the period during which they occurred, and the nature and date of the most recent business dealing, and

(d) the number of "close business associates" of the director, executive officer, founder or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close business associate solely because the individual is:

(a) a member of the same club, organization, association or religious group, ~~or~~

(b) a co-worker, colleague or associate at the same workplace,

(c) a client, customer, former client or former customer,

(d) a mere acquaintance, or

(e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the individual and the director, executive officer, founder or control person must be direct. For example, the exemptions are not available for a close business associate of a close business associate of a director of the issuer.

We would not consider a relationship that is primarily founded on participation in an internet forum to be that of a close business associate.

The person relying on the exemption is responsible for determining that the purchaser meets the characteristics required under the exemption. See section 1.9 of this Companion Policy for guidance on how to verify and document purchaser status.

2.9 Indirect interest

Under paragraph (t) of the definition of "accredited investor" in section 1.1 of NI 45-106, an "accredited investor" includes a person in respect of which all of the owners of interests in that person, direct, indirect or beneficial, are accredited investors. The interpretive provision in section 1.2 of NI 45-106 is needed to confirm the meaning of indirect interest in British Columbia.

PART 3 – CAPITAL RAISING EXEMPTIONS

3.1 Soliciting purchasers

Part 2, ~~Division 1, and Part 3,~~ Division 1 (capital raising exemptions) in NI 45-106 ~~do~~does not prohibit the use of registrants, finders, or advertising in any form (for example, ~~internet~~Internet, e-mail, direct mail, newspaper or magazine) to solicit purchasers under any of the exemptions. However, use of any of these means to find purchasers under the private issuer ~~exemptions~~exemption in ~~sections~~section 2.4 ~~and 3.4~~ of NI 45-~~106,~~106 or under the family, friends and business associates ~~exemptions~~exemption in ~~sections~~section 2.5 ~~and 3.5~~ of NI 45-106, may give rise to a presumption that the relationship required for use of these exemptions is not present. If, for example, an issuer advertises or pays a commission or finder's fee to a third party to find purchasers under the family, friends and business associates ~~exemptions~~exemption, it suggests that the precondition of a close relationship between the purchaser and the issuer may not exist and therefore the issuer cannot rely on ~~these exemptions~~this exemption.

Use of a finder by a private issuer to find an accredited investor, however, would not preclude the private issuer from relying upon the private issuer ~~exemptions~~exemption, provided that all of the other conditions to ~~those exemptions~~that exemption are met.

Any solicitation activities that aim to identify a particular category of investor should clearly state the kind of investor being sought and the criteria that investors will be required to meet. Any print materials used to find accredited investors, for example, should clearly and prominently state that only accredited investors should respond to the solicitation.

3.2 Soliciting purchasers – ~~Newfoundland and Labrador and~~ Ontario

~~In Newfoundland and Labrador and Ontario, the exemptions from the dealer registration requirement identified in section 3.01 of NI 45-106 are not available to a "market intermediary", except as therein provided (or as otherwise provided in local securities legislation – see, for instance, in the case of Ontario, OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions*). Generally, a person is a market intermediary if the person is in the business of trading in securities as principal or agent. In Ontario, the term "market intermediary" is defined in Ontario Securities Commission Rule 14-501 *Definitions*.~~

The Ontario Securities Commission takes the position that if an issuer retains an employee whose primary job function is to actively solicit members of the public for the purposes of selling the issuer's securities, the issuer and its employee are in the business of selling securities. Further, if an issuer and its employees are deemed to be in the business of selling securities, the Ontario Securities Commission considers both the issuer and its employees to be market intermediaries. This applies whether the issuer and its employees are located in Ontario and solicit members of the public outside of Ontario or whether the issuer

and its employees are located outside of Ontario and solicit members of the public in Ontario. Accordingly, in order to be in compliance with securities legislation, these issuers and their employees should be registered under the appropriate category of registration in Ontario.

3.3 Advertising

NI 45-106 does not restrict the use of advertising to solicit or find purchasers. However, issuers and selling security holders should review other securities legislation and securities directions for guidelines, limitations and prohibitions on advertising intended to promote interest in an issuer or its securities. For example, any advertising or marketing communications must not contain a misrepresentation and should be consistent with the issuer's public disclosure record.

3.4 Restrictions on finder's fees or commissions

The following restrictions apply with respect to certain exemptions under NI 45-106:

(1) no commissions or finder's fees may be paid to directors, officers, founders and control persons in connection with a distribution ~~or a trade~~ made under the private issuer ~~exemptions~~exemption or the family, friends and business associates ~~exemptions~~exemption, except in connection with a distribution of~~, or trade in,~~ a security to an accredited investor under ~~a~~the private issuer exemption; and

(2) in Northwest Territories, Nunavut and Saskatchewan, only a registered dealer may be paid a commission or finder's fee in connection with a distribution of~~, or a trade in,~~ a security to a purchaser in one of those jurisdictions under ~~an~~the offering memorandum exemption.

3.4.1 Reinvestment plans

(1) When is a plan administrator acting "for or on behalf of the issuer"?

~~Sections~~Section 2.2 ~~and 3.2~~ of NI 45-106 ~~contain~~contains a prospectus ~~and dealer registration exemptions~~exemption for distributions of~~, and trades in,~~ securities by a trustee, custodian or administrator acting for or on behalf of the issuer. If the trustee, custodian or administrator is engaged by the issuer, the plan administrator acts "for or on behalf of the issuer" and therefore falls within the language contained in ~~sections~~section 2.2(1)~~ and 3.2(1) of NI 45-106.~~. The fact that the plan administrator may act on or in accordance with instructions of a plan participant, under the plan, does not preclude the administrator from relying on the ~~exemptions~~exemption contained in ~~sections~~section 2.2~~ or 3.2~~ of NI 45-106.

(2) Providing a description of material attributes and characteristics of securities

The~~ prospectus and dealer registration~~ reinvestment plan ~~exemptions~~exemption in ~~sections~~section 2.2(5) ~~and 3.2(5)~~ of NI 45-106 ~~add~~includes a requirement, effective September 28, 2009, that if the securities distributed~~ or traded~~ under a reinvestment plan~~, in reliance upon a reinvestment plan exemption,~~ are of a different class or series than the securities to which the dividend or distribution is attributable, the issuer or plan agent must have provided the plan participants with a description of the material attributes and characteristics of the securities being distributed~~ or traded~~. An issuer or plan agent with an existing reinvestment plan can satisfy this requirement in a number of ways. If plan participants have previously signed a plan agreement or received a copy of a reinvestment plan that included this information, the issuer or plan agent does not need to take any further action for current plan participants. (Future participants should receive the same type of information before their first trade of a security under the plan.)

If plan participants have not received this information in the past, the issuer or plan agent can provide the required information or a reference to a website where the information is available with other materials sent to holders of that class of securities, for example with proxy materials.~~ Section 8.3.1 of NI 45-106 provides a transition period, allowing the issuer or plan agent to meet this requirement not later than 140 days after the next financial year end of the issuer ending on or after September 28, 2009.~~

(3) Interest payments

The ~~exemptions~~exemption in ~~sections~~section 2.2~~ and 3.2~~ of NI 45-106 may be available where a person invests interest payable on debentures or other similar securities into other securities of the issuer. The words "distributions out of earnings…or other sources" cover interest payable on debentures.

3.5 Accredited investor

(1) Individual qualification – financial tests

An individual is an "accredited investor" for the purposes of NI 45-106 if ~~he or she satisfies, either alone or with a spouse, any of the financial asset test in paragraph (j), the net income test in paragraph (k) or the net asset test in paragraph (l) of~~the individual satisfies one of four tests set out in the "accredited investor" definition in section 1.1 of NI 45-~~106.~~106:

- the $1 000 000 financial asset test in paragraph (j)
- the $5 000 000 financial asset test in paragraph (j.1)
- the net income test in paragraph (k)
- the net asset test in paragraph (l)

~~These~~Three branches of the definition (in paragraphs (j), (k) and (l)) are designed to treat spouses as a single investing unit, so that either spouse qualifies as an "accredited investor" if the combined financial assets~~, net income, or net assets~~ of both spouses exceed ~~the~~ $1 000 000, the combined net income of both spouses exceeds $300 000, or ~~$5 000 000 thresholds, respectively.~~the combined net assets of both spouses exceeds $5 000 000.

The fourth branch, the $5 000 000 financial asset test, does not treat spouses as a single investing unit. If an individual meets the $5 000 000 financial asset test, they also meet the test to be a "permitted client" under NI 31-103. Permitted clients are entitled to waive the "know your client" and suitability obligations of registered dealers and advisers under NI 31-103. Under subsection 2.3(7) of NI 45-106, an issuer distributing securities under the accredited investor exemption to an individual who meets the $5 000 000 financial asset test in paragraph (j.1) under the definition of "accredited investor" is not required to obtain a signed risk acknowledgement in Form 45-106F9 *Form for Individual Accredited Investors* from that individual.

For the purposes of the financial asset ~~test~~tests in ~~paragraph~~paragraphs (j) and (j.1), "financial assets" are defined in NI 45-106 to mean cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation. These financial assets are generally liquid or relatively easy to liquidate. The value of a purchaser's personal residence ~~would~~is not ~~be~~ included in a calculation of financial assets.

By comparison, the net asset test under paragraph (l) ~~involves a consideration of~~means all of the purchaser's total assets minus all of the purchaser's total liabilities. Accordingly, for the purposes of the net asset test, the calculation of total assets would include the value of a purchaser's personal residence and the calculation of total liabilities would include the amount of any liability (such as a mortgage) in respect of the purchaser's personal residence.

If the combined net income of both spouses does not exceed $300 000, but the net income of one of the spouses exceeds $200 000, only the spouse whose net income exceeds $200 000 qualifies as an accredited investor.

(2) Bright-line standards – individuals

The monetary thresholds in the "accredited investor" definition are intended to create "bright-line" standards. Investors who do not satisfy these monetary thresholds do not qualify as accredited investors under the applicable paragraph.

(3) Beneficial ownership of financial assets

~~Paragraph~~Paragraphs (j) and (j.1) of the "accredited investor" definition ~~refers to an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1 000 000.~~refer to the beneficial ownership of financial assets. As a general matter, it should not be difficult to determine whether financial assets are beneficially owned by an individual, an individual's spouse, or both, in any particular instance. However, in the case where financial assets are held in a trust or in ~~other types~~another type of investment ~~vehicles~~vehicle for the benefit of an individual there may ~~raise~~be questions as to whether the individual beneficially owns the financial assets ~~in the circumstances~~. The following factors are indicative of beneficial ownership of financial assets:

(a) physical or constructive possession of evidence of ownership of the financial asset;

(b) entitlement to receipt of any income generated by the financial asset;

(c) risk of loss of the value of the financial asset; and

(d) the ability to dispose of the financial asset or otherwise deal with it as the individual sees fit.

For example, securities held in a self-directed RRSP, for the sole benefit of an individual, are beneficially owned by that individual. In general, financial assets in a spousal RRSP would also be included for the purposes of the ~~threshold~~$1 000 000 financial asset test ~~because~~in paragraph (j) because it takes into account financial assets owned beneficially by a spouse. However, financial assets in a spousal RRSP would not be included for purposes of the $5 000 000 financial asset test in paragraph (j.1). Financial assets held in a group RRSP under which the individual ~~would~~does not have the ability to acquire the financial assets and deal with them directly would not meet ~~these~~the beneficial ownership requirements in either paragraph (j) or paragraph (j.1).

(4) Calculation of an individual purchaser's net assets

To calculate a purchaser's net assets under the net asset test in paragraph (l) of the "accredited investor" definition, subtract the purchaser's total liabilities from the purchaser's total assets. The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of~~, or trade in,~~ the security.

(4.1) Risk acknowledgement from individual investors

Persons relying on the accredited investor exemption in section 2.3 of NI 45-106 and section 73.3 of the *Securities Act* (Ontario) to distribute securities to individual accredited investors described in paragraphs (j), (k) and (l) of the "accredited investor" definition must obtain a completed and signed risk acknowledgement from that individual accredited investor.

"Individual" is defined in the securities legislation of certain jurisdictions to mean a natural person. The definition specifically excludes partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations and trusts. It also specifically excludes a natural person acting in the capacity of trustee, executor, administrator or personal or other legal representative.

(5) Financial statements

The minimum net asset threshold of $5 000 000 specified in paragraph (m) of the "accredited investor" definition must, in the case of a non-individual entity, be shown on the entity's "most recently prepared financial statements". The financial statements must be prepared in accordance with applicable generally accepted accounting principles.

(6) Time for assessing qualification

The financial tests prescribed in the accredited investor definition are to be applied only at the time of the distribution of~~, or trade in,~~ the security. The person is not required to monitor the purchaser's continuing qualification as an accredited investor after the distribution of~~, or trade in,~~ the security is completed.

(7) Recognition or ~~Designation~~designation as an ~~Accredited Investor~~"accredited investor"

Paragraph (v) of the "accredited investor" definition in NI 45-106 contemplates that a person may apply to be recognized or designated as an accredited investor by the securities regulatory authorities or ~~regulators~~, except in Ontario and Québec, the regulators. The securities regulatory authorities or regulators have not adopted any specific criteria for granting accredited investor recognition or designation to applicants, as the securities regulatory authorities or regulators believe that the "accredited investor" definition generally covers all types of persons that do not require the protection of the prospectus requirement~~ or the dealer registration requirement~~. Accordingly, the securities regulatory authorities or regulators expect that applications for accredited investor recognition or designation will be utilized on a very limited basis. If a securities regulatory authority or regulator considers it appropriate in the circumstances, it may grant accredited investor recognition or designation to a person on terms and conditions, including a requirement that the person apply annually for renewal of accredited investor recognition or designation.

(8) Verifying accredited investor status

Persons relying on the accredited investor exemption are responsible for determining whether a purchaser meets the definition of "accredited investor". See section 1.9 of this Companion Policy for guidance on how to verify and document purchaser status.

3.6 Private issuer

(1) Meaning of "the public"

Whether or not a person is a member of the public must be determined on the facts of each particular case. The courts have interpreted "the public" very broadly in the context of securities trading. Whether a person is a part of the public will be determined on the particular facts of each case, based on the tests that have developed under the relevant case law. A person

who intends to distribute ~~or trade~~ securities~~,~~ in reliance upon the private issuer prospectus exemption in section 2.4(2) ~~or the private issuer dealer registration exemption in section 3.4(2)~~ of NI 45-~~106,~~106 to a person not listed in paragraphs (a) through (j) of that section will have to satisfy itself that the distribution of~~, or trade in,~~ the security is not to the public.

(2) Meaning of "close personal ~~friends~~friend" and "close business ~~associates~~associate"

See sections 2.7 and 2.8 of this Companion Policy for a discussion of the meaning of "close personal friend" and "close business associate".

(2.1) Meaning of "non-convertible debt securities"

Paragraph (b) of the definition of private issuer has a number of restrictions that apply to the securities, other than non-convertible debt securities, of a private issuer. Non-convertible debt securities are debt securities that do not have a right or obligation to exchange or convert into another security of the issuer.

(3) Business combination of private issuers

A distribution of~~, or trade in,~~ securities in connection with an amalgamation, merger, reorganization, arrangement or other statutory procedure involving two private issuers~~,~~ to holders of securities of those issuers is not a distribution of~~, or trade in,~~ a security to the public, provided that the resulting issuer is a private issuer.

Similarly, a distribution of~~, or trade in,~~ securities by a private issuer in connection with a share exchange take-over bid for another private issuer is not a distribution of~~, or trade in,~~ securities to the public, provided the offeror remains a private issuer after completion of the bid.

(4) Acquisition of a private issuer

Persons relying on a private issuer exemption in NI 45-106 must be satisfied that the purchaser is not a member of the public. Generally, however, if the owner of a private issuer sells the business of the private issuer by way of a sale of securities, rather than assets, to another party who acquires all of the securities, the sale will not be considered to have been to the public.

(5) Ceasing to be a private issuer

The term "private issuer" is defined in section 2.4(1) ~~(with the same definition repeated in section 3.4(1)~~ of NI 45-~~106).~~106. A private issuer can distribute securities only to the persons listed in section 2.4(2) of NI 45-106. If a private issuer distributes securities to a person not listed in section 2.4(2), even under another exemption, it will no longer be a private issuer and will not be able to continue to use the private issuer prospectus exemption in section 2.4(2)~~ (or the private issuer dealer registration exemption in section 3.4(2))~~. For example, if a private issuer distributes securities under the offering memorandum exemption, it will no longer be a private issuer.

Issuers that cease to be private issuers ~~will~~do not automatically become "reporting issuers". They are simply no longer able to rely on the private issuer exemption in section 2.4(1). Such issuers would still be able to use other exemptions to distribute their securities. For example, such issuers could rely on the family, friends and business associates prospectus exemption (except in Ontario) or the accredited investor prospectus exemption. However, issuers that rely on these prospectus exemptions must file a report of exempt distribution with the securities regulatory authority or regulator in each jurisdiction in which the distribution took place.

An issuer that completes a going private transaction (for example, by way of an amalgamation, squeeze out or a takeover bid with a subsequent statutory compulsory acquisition) can ~~however~~ use the private issuer exemption after a going private transaction.

3.7 Family, friends and business associates

(1) Number of purchasers

There is no restriction on the number of persons that the issuer may sell securities to under the family, friends and business associates ~~exemptions~~exemption in ~~sections~~section 2.5~~ and 3.5~~ of NI 45-106. However, an issuer selling securities to a large number of persons under this exemption may give rise to a presumption that not all of the purchasers are family, close personal friends or close business associates and that the exemption may not be available.

(2) Meaning of "close personal ~~friends~~friend" and "close business ~~associates~~associate"

See sections 2.7 and 2.8 of this Companion Policy for a discussion of the meaning of "close personal friend" and "close

business associate".

(3) Risk acknowledgement – Saskatchewan

Under ~~sections~~section 2.6 ~~and 3.6~~ of NI 45-106, the ~~corresponding~~ family, friends and business associates exemption in section 2.5 ~~or 3.5~~ of NI 45-106 cannot be relied upon in Saskatchewan for a distribution of~~, or trade in,~~ securities based on a close personal friendship or close business association unless the person obtains a signed "risk acknowledgement" in the required form from the purchaser and retains the form for eight years after the distribution of~~, or trade in,~~ securities.

3.8 Offering memorandum

(1) Eligibility criteria – Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec and Saskatchewan

Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec, Saskatchewan, and Yukon impose eligibility criteria on persons investing under the offering memorandum ~~exemptions~~exemption. In these jurisdictions, the purchaser must be an eligible investor if the purchaser's acquisition cost is more than $10 000.

In determining the acquisition cost to a purchaser who is not an eligible investor, include any future payments that the purchaser will be required to make. Proceeds ~~which~~that may be obtained on exercise of warrants or other rights, or on conversion of convertible securities, are not considered to be part of the acquisition cost unless the purchaser is legally obligated to exercise or convert the securities. The $10 000 maximum acquisition cost is calculated per distribution of~~, or trade in,~~ security.

Nevertheless, concurrent and consecutive, closely-timed offerings to the same purchaser will usually constitute one distribution of~~, or trade in,~~ a security. Consequently, when calculating the acquisition cost, all of these offerings by or on behalf of the issuer to the same purchaser who is not an eligible investor would be included. It would be inappropriate for an issuer to try to circumvent the $10 000 threshold by dividing a subscription in excess of $10 000 by one purchaser into a number of smaller subscriptions of $10 000 or less that are made directly or indirectly by the same purchaser.

A purchaser can qualify as an eligible investor under various categories of the definition, including if the purchaser has and has had in prior years either $75 000 pre-tax net income or profit or has $400 000 worth of net assets. In calculating a purchaser's net assets, subtract the purchaser's total liabilities from the purchaser's total assets. The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the distribution of~~, or trade in,~~ a security.

Another way a purchaser can qualify as an eligible investor is to obtain advice from an eligibility adviser. An eligibility adviser is a person registered as an investment dealer (or in an equivalent category of unrestricted dealer in the purchaser's jurisdiction) that is authorized to give advice with respect to the type of security being distributed~~ or traded~~. In Saskatchewan and Manitoba, certain lawyers and public accountants may also act as eligibility advisers.

A registered investment dealer providing advice to a purchaser in these circumstances is expected to comply with the "know your client" and suitability requirements under applicable securities legislation and SRO rules and policies. Some dealers have obtained exemptions from the "know your client" and suitability requirements because they do not provide advice. An assessment of suitability by these dealers is not sufficient to qualify a purchaser as an eligible investor.

(2) Form of offering memorandum

There are two forms of offering memorandum: Form 45-106F3, which may be used by qualifying issuers, and Form 45-106F2, which must be used by all other issuers. Form 45-106F3 requires qualifying issuers to incorporate by reference their annual information form (AIF), management's discussion and analysis (MD&A), annual financial statements and subsequent specified continuous disclosure documents required under NI 51-102.

A qualifying issuer is a reporting issuer that has filed an AIF under NI 51-102 and has met all of its other continuous disclosure obligations, including those in NI 51-102, National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Under NI 51-102, venture issuers are not required to file AIFs. However, if a venture issuer wants to use Form 45-106F3, the venture issuer must voluntarily file an AIF under NI 51-102 in order to incorporate that AIF into its offering memorandum.

(3) Date of certificate and required signatories

The issuer must ensure that the information provided to the purchaser is current and does not contain a misrepresentation. For example, if a material change occurs in the business of the issuer after delivery of an offering memorandum to a potential purchaser, the issuer must give the potential purchaser an update to the offering memorandum before the issuer accepts the

agreement to purchase the securities. The update to the offering memorandum may take the form of an amendment describing the material change, a new offering memorandum containing up-to-date disclosure or a material change report, whichever the issuer decides will most effectively inform purchasers.

Whatever form of update the issuer uses, it must include a newly signed and dated certificate as required in the applicable subsection 2.9(9), ~~(10), (10.1), (10.2), (10.3), (11), (11.1), or (12) or 3.9(9),~~ (10), (10.1), (10.2), (10.3), (11), (11.1), or (12) of NI 45-106.

"Promoter" is defined differently in provincial and territorial securities legislation across CSA jurisdictions. It is generally defined as meaning a person who has taken the initiative in founding, organizing or substantially reorganizing the business of the issuer or who has received consideration over a prescribed amount for services or property or both in connection with founding, organizing or substantially reorganizing the issuer. "Promoter" has not been defined in the *Securities Act* (Québec) and a broad interpretation is taken in Québec in determining who would be considered a promoter.

Under securities legislation, persons who receive consideration solely as underwriting commissions or in consideration of property and who do not otherwise take part in the founding, organizing or substantially reorganizing the issuer are not promoters. Simply selling securities, or in some way facilitating sales in securities, does not make a person a promoter under the offering memorandum ~~exemptions~~exemption.

(4) Consideration to be held in trust

The purchaser has, or must be given, the right to cancel the agreement to purchase the securities until midnight on the 2nd business day after signing the agreement. During this period, the issuer must arrange for the consideration to be held in trust on behalf of the purchaser.

It is up to the issuer to decide what arrangements are necessary to preserve the consideration received from the purchaser. The requirement to hold the consideration in trust may be satisfied if, for example, the issuer keeps the purchaser's cheque, without cashing or depositing it, until the expiration of the two business day cancellation period.

It is also the issuer's responsibility to ensure that whoever is holding the consideration promptly returns it to the purchaser if the purchaser cancels the agreement to purchase the securities.

(5) Filing of offering memorandum

The issuer is required to file the offering memorandum with the securities regulatory authority or regulator in each of the jurisdictions in which the issuer distributes ~~or trades~~ securities under an offering memorandum exemption. The issuer must file the offering memorandum on or before the 10th day after the distribution.

If the issuer is conducting multiple closings, the offering memorandum must be filed on or before the 10th day after the first closing. Once the offering memorandum has been filed, there is no need to file it again after subsequent closings, unless it has been updated.

(6) Purchasers' rights

Unless securities legislation in a purchaser's jurisdiction provides a purchaser with a comparable right of cancellation or revocation, an issuer must give each purchaser under an offering memorandum a contractual right to cancel the agreement to purchase the securities by delivering a notice to the issuer not later than midnight on the 2nd business day after the purchaser signs the agreement.

Unless securities legislation in a purchaser's jurisdiction provides purchasers with comparable statutory rights, the issuer must also give the purchaser a contractual right of action against the issuer in the event the offering memorandum contains a misrepresentation. This contractual right of action must be available to the purchaser regardless of whether the purchaser relied on the misrepresentation when deciding to purchase the securities. This right is similar to that given to a purchaser under a prospectus. The purchaser may claim damages or ask that the agreement be cancelled. If the purchaser wants to cancel the agreement, the purchaser must commence the action within 180 days after signing the agreement to purchase the securities. If the purchaser is seeking damages, the purchaser must commence the action within the earlier of 180 days after learning of the misrepresentation or 3 years after signing the agreement to purchase the securities.

The issuer is required to describe in the offering memorandum any rights available to the purchaser, whether they are provided by the issuer contractually as a condition to the use of the exemption or provided under securities legislation.

3.9 Minimum amount investment

(1) Baskets of securities

An issuer may wish to distribute ~~or trade~~ more than one kind of security of its own issue, such as shares and debt, in a single transaction under ~~a~~the minimum investment amount exemption. Provided that the shares and debt are sold in units that have a total acquisition cost of not less than $150 000 paid in cash at the time of the distribution of~~, or trade in,~~ a security, the ~~exemptions~~exemption can, if otherwise available, be used, notwithstanding that the acquisition cost of the shares and the acquisition cost of the debt, taken separately, are both less than $150 000.

(2) Not available for distributions to individuals or syndicates

The minimum amount investment exemption in section 2.10 of NI 45-106 is not available for distributions to individuals. "Individual" is defined in the securities legislation of certain jurisdictions to mean a natural person. The definition specifically excludes partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations and trusts. It also specifically excludes a natural person acting in the capacity of trustee, executor, administrator or personal or other legal representative.

Subsection 2.10(2) of NI 45-106 specifically prohibits using the minimum amount investment exemption to distribute to persons created or used solely to rely on this exemption. See section 1.8 of this Companion Policy for a discussion of the "anti-syndication" provisions in NI 45-106.

PART 4 – OTHER EXEMPTIONS

4.1 Employee, executive officer, director and consultant exemptions

Trustees, custodians or administrators who engage in activities, contemplated in the prospectus ~~and dealer registration exemptions in sections~~exemption in section 2.27~~ and 3.27~~ of NI 45-106, that bring together purchasers and sellers of securities should have regard to the provisions of National Instrument 21-101 *Marketplace Operation* respecting "marketplaces" and "alternative trading systems".

The employee, executive officer, director and consultant exemptions are based on the alignment of economic interests between an issuer and its employees. They may, where available, be used to provide employees and other similar persons with an opportunity to participate in the growth of the employer's business and to compensate persons for the services they provide to an issuer. The securities regulatory authorities or regulators will generally not grant exemptive relief analogous to these exemptions except in very limited circumstances.

4.2 Business combination and reorganization

(1) Statutory procedure

The securities regulatory authorities and regulators interpret the phrase "statutory procedure" broadly and are of the view that the prospectus ~~and dealer registration exemptions~~exemption contained in ~~sections~~section 2.11 ~~and 3.11~~ of NI 45-106 ~~apply~~applies to all distributions of~~, and trades in,~~ securities of an issuer that are both part of the procedure and necessary to complete the transaction, regardless of when the distribution of~~, or trade in,~~ a security occurs.

The prospectus ~~and dealer registration exemptions~~exemption contained in ~~sections~~section 2.11 ~~and 3.11~~ of NI 45-106 ~~exempt~~exempts distributions of~~, and trades in,~~ securities in connection with an amalgamation, merger, reorganization or arrangement if the same is done "under a statutory procedure". The securities regulatory authorities or regulators are of the view that the references to statutory procedure in sections 2.11~~ and 3.11of NI 45-106~~ are to any statute of a jurisdiction or foreign jurisdiction under which the entities involved have been incorporated or created and exist or under which the transaction is taking place. This would include, for example, an arrangement under the *Companies' Creditors Arrangement Act* (Canada).

(2) Three-cornered amalgamations

Certain corporate statutes permit a so-called "three-cornered merger or amalgamation" under which two companies will amalgamate or merge and security holders of the amalgamating or merging entities will receive securities of a third party affiliate of one amalgamating or merging entity. The prospectus ~~and dealer registration exemptions~~exemption contained in ~~sections~~section 2.11 ~~and 3.11~~ of NI 45-106 ~~refer~~refers to these distributions of~~, or trades in,~~ a security when they refer to a distribution of~~, or a trade in,~~ a security made in connection with an amalgamation or merger done under a statutory procedure.

(3) Exchangeable shares

A transaction involving a procedure described in the prospectus ~~and dealer registration exemptions~~exemption contained in ~~sections~~section 2.11 ~~and 3.11~~ of NI 45-106 may include an exchangeable share structure to achieve certain tax-planning objectives. For example, where a non-Canadian company seeks to acquire a Canadian company under a plan of arrangement, an exchangeable share structure may be used to allow the Canadian shareholders of the company to be acquired to receive, in substance, shares of the non-Canadian company while avoiding the adverse tax consequences associated with exchanging shares of a Canadian company for shares of a non-Canadian company. Instead of receiving shares of the non-Canadian company directly, the Canadian shareholders receive shares of a Canadian company which, through various contractual arrangements, have economic terms and voting rights that are essentially identical to the shares of the non-Canadian company and permit the holder to exchange such shares, at a time of the holder's choosing, for shares of the non-Canadian company.

Historically, the use of an exchangeable share structure in connection with a statutory procedure has raised a question as to whether the ~~exemptions~~exemption now contained in ~~sections~~section 2.11 ~~and 3.11~~ of NI 45-106 ~~were~~was available for all distributions ~~or trades~~ necessary to complete the transaction. For example, in the case of the acquisition under a plan of arrangement noted above, the use of an exchangeable share structure may result in a delay of several months or even years between the date of the arrangement and the date the shares of the non-Canadian company are distributed to the former shareholders of the acquired company. As a result of this delay, some filers have questioned whether the distribution of the non-Canadian company's shares upon the exercise of the exchangeable shares may still be viewed as being "in connection with" the statutory transaction, and have made application for exemptive relief to address this uncertainty.

The securities regulatory authorities or regulators take the position that the statutory procedure ~~exemptions~~exemption contained in section 2.11 ~~and section 3.11~~ of NI 45-106 ~~refer~~refers to all distributions ~~or trades~~ of securities that are necessary to complete an exchangeable share transaction involving a procedure described in section ~~2.11 or section 3.11~~,2.11, even where such distributions ~~or trades~~ occur several months or years after the transaction. In the case of the acquisition noted above, the investment decision of the shareholders of the acquired company at the time of the arrangement represented a decision to, ultimately, exchange their shares for shares of the non-Canadian company. The distribution of such shares upon the exercise of the exchangeable shares does not represent a new investment decision, but merely represents the completion of that original investment decision. Accordingly, additional exemptive relief is not warranted in circumstances where the original transaction was completed in reliance on ~~these exemptions~~this exemption.

4.3 Asset acquisition – character of assets to be acquired

When issuing securities, issuers must comply with the requirements under applicable corporate or other governing legislation that the securities be issued for fair value. Where securities are issued for non-cash consideration such as assets or resource properties, it is the responsibility of the issuer and its board of directors to determine the fair market value of the assets or resource properties and to retain records to demonstrate how that fair market value was determined. In some situations, cash assets that make up working capital could also be considered in the total calculation of the fair market value.

4.4 Securities for debt – *bona fide debt*

A bona fide debt is one that was incurred for value, on commercially reasonable terms and that on the date the debt was incurred the parties believed would be repaid in cash.

A reporting issuer may distribute ~~or trade~~ securities to settle a debt only after the debt becomes due, as evidenced by the creditor issuing an invoice, demand letter or other written statement to the issuer indicating that the debt is due. The securities for debt ~~exemptions~~exemption may not be relied on for the issuance of securities by an issuer to secure a debt that will remain outstanding after the issuance.

4.5 Take-over bid and issuer bid

(1) Exempt bids

The terms "take-over bid" and "issuer bid", for the purposes of ~~sections~~section 2.16 ~~and 3.16~~ of NI 45-106, include an exempt take-over bid and exempt issuer bid.

(2) Bids involving exchangeable shares

The take-over bid and issuer bid exemptions refer to all distributions ~~or trades~~ necessary to complete a take-over bid or an issuer bid that involves an exchangeable share structure (as described under section 4.2 of this Companion Policy), even where such distributions ~~or trades~~ may occur several months or even years after the bid is completed.

4.6 Isolated distribution ~~or trade~~

The ~~exemptions~~exemption contained in section 2.30 ~~and 3.30~~ of NI 45-106 ~~are~~is limited to ~~distributions of, or trades in,~~a distribution of a security made by an issuer in a security of its own issue. ~~There is also an additional isolated trade dealer registration exemption contained in section 3.29 of NI 45-106. While the latter exemption refers to trades in any security, it does not apply to any trades by an issuer in a security that is issued by the issuer.~~It is intended that ~~these exemptions~~this exemption will only be used rarely and ~~are not available for registrants or others whose business is trading in~~not to distribute securities to multiple purchasers.

4.6.1 Short-term securitized products

(1) Types of short-term securitized products

Section 2.35.1 is a prospectus exemption for the distribution of short-term securitized products. Short-term securitized products distributed in Canada are generally asset-backed commercial paper.

(2) Definition of “asset pool”

The term “cash-flow generating assets” in the definition of “asset pool” refers to the bonds, mortgages, leases, loans, receivables, or royalties in which a conduit has a direct or indirect ownership or security interest. It does not refer to a security or other instrument through which a conduit obtains an indirect ownership or security interest in underlying cash-flow generating assets. For example, a conduit may enter into an asset transaction whereby it purchases a note from a trust that owns a pool of mortgages, thereby acquiring an indirect ownership or security interest in that pool of mortgages. In this scenario, the “cash-flow generating assets” are the mortgages, not the note.

(3) Interaction of conditions with credit ratings

In order for the short-term securitized products prospectus exemption to be available, the short-term securitized product must satisfy certain conditions relating to credit ratings as set out in subparagraphs 2.35.2(a)(i) and (ii). The short-term securitized product and issuing conduit must also satisfy other conditions regarding liquidity support, series or class seniority and asset pool composition as set out in subparagraphs 2.35.2(a)(iii) and (iv) and paragraphs 2.35.2(b) and (c).

Short-term securitized products that satisfy the conditions in the prospectus exemption relating to liquidity support, series or class seniority and asset pool composition may not necessarily satisfy the credit-rating conditions; particularly the requirement in subparagraph 2.35.2(a)(i) that one of the two credit ratings must be at the highest rating category. Designated rating organizations each have their own rating methodologies and may require features that go beyond those specified in the prospectus exemption in order for a short-term securitized product to obtain a credit rating in the highest category.

(4) Liquidity provider

Clause 2.35.2(a)(iv)(B) requires a liquidity provider to be a deposit-taking institution regulated or approved to carry on business in Canada by the Office of the Superintendent of Financial Institutions (OSFI) or a Canadian federal or provincial government department or regulatory authority. This provision allows a foreign bank to be a liquidity provider if it is a Schedule II or Schedule III bank that is regulated by OSFI or approved by OSFI to carry on business in Canada.

(5) Exceptions relating to liquidity agreements

The intention of subsection 2.35.3(2) is to permit a liquidity agreement to provide that a liquidity provider need not advance funds in respect of assets that have defaulted and that are not covered by any applicable credit enhancement. For purposes of paragraph 2.35.3(2)(a), we expect that the aggregate value of the non-defaulted assets would be the book value, unless some other method of determining the value is specified by the provisions of the applicable liquidity agreement, e.g. discounted value or market value.

(6) Disclosure – meaning of “make reasonably available”

Section 2.35.4 requires that each information memorandum and reports on Form 45-106F7 and Form 45-106F8 be made reasonably available both to securities regulators and purchasers of a short-term securitized product.

~~Reliance upon the isolated trade exemption might, for example, be appropriate when a person who is not involved in the business of trading securities wishes to make a single trade of a security that the person owns to another person. The exemption would not be available to a person for any subsequent trades for a period of time adequate to ensure that each transaction was truly isolated and unconnected.~~
This requirement could generally be satisfied by a conduit posting the document on a website maintained by it or on its behalf. If

a password is used to limit access to the website, we would expect that the password would be promptly provided upon application. We generally would not object if a prospective purchaser, before being provided access to a website on which the documents are posted, would have to agree to keep the information on the website confidential or that it would not provide others with access to the website or the documents available on it.

4.7 Mortgages

In British Columbia, Alberta, Manitoba, Québec and Saskatchewan, NI 45-106 specifically excludes syndicated mortgages from the mortgage prospectus ~~and dealer registration exemptions in sections 2.36 and 3.36.~~exemption in section 2.36. In determining what constitutes a syndicated mortgage, issuers will need to refer to the corresponding definition provided in section 2.36~~(1) or 3.36~~(1) of NI 45-106.

The mortgage ~~exemptions do~~prospectus exemption does not apply to distributions ~~or trades~~ in securities that secure mortgages by bond, debenture, trust deed or similar obligation. The mortgage ~~exemptions~~prospectus exemption also ~~do~~does not apply to a distribution of~~, or a trade in,~~ a security that represents an undivided co-ownership interest in a pool of mortgages, such as a pass-through certificate issued by an issuer of asset-backed securities.

4.8 Not for profit issuer

(1) Eligibility to use ~~these exemptions~~this exemption

~~These exemptions apply~~This exemption applies to distributions of~~, and trades in,~~ securities of an issuer that is organized exclusively for educational, benevolent, fraternal, charitable, religious or recreational purposes and not for profit ("not for profit issuer"). To use ~~these exemptions~~this exemption, an issuer must be organized exclusively for one or more of the listed purposes and use the funds raised for those purposes.

If an issuer is organized exclusively for one of the listed purposes, but its mandate changes so that it is no longer primarily engaged in the purpose it was organized for, the issuer may no longer be able to rely on ~~these exemptions~~this exemption. For example, if an issuer organized exclusively for educational purposes over time devotes more and more of its efforts to lending money, even if it is only to other educational entities, the lending issuer may be unable to rely on these exemptions. The same would also be true if one of an issuer's mandates was to provide an investment vehicle for its members. An issuer that issues securities that pay dividends would also not be able to use these exemptions, because no part of the issuer's net earnings can go to any security holder. However, if the securities are debt securities and the issuer agrees to repay the principal amount with or without interest, the security holders are not considered to be receiving part of the net earnings of the issuer. The debt securities may be secured or unsecured.

If investors could receive any special treatment as a result of purchasing securities, the security holders are not typically receiving part of the net earnings of the issuer and the sale may still fit within these exemptions. For example, if the not for profit issuer runs a golf course and offers security holders a waiver of greens fees for three years, it could still rely on ~~these exemptions~~this exemption, provided all other conditions are met (and the exemption remains available in the relevant jurisdiction(s)).

If, at the time of the distribution of~~, or trade in,~~ the security, the purchaser has an entitlement to the assets of the issuer on the basis that they would be getting part of the net earnings of the issuer, then the sale would not fit within ~~these exemptions~~this exemption.

In Québec, not for profit issuers may still rely on the broad exemption available for not for profit issuers under section 3 of the *Securities Act* (Québec).

(2) Meaning of "no commission or other remuneration"

~~Sections~~Section 2.38(b) ~~and 3.38(b) provide~~provides that "no commission or other remuneration is paid in connection with the sale of the security". This is intended to ensure that no one is paid to find purchasers of the securities. However, the issuer may pay its legal and accounting advisers for their legal or accounting services in connection with the sale.

~~**4.9 Exchange contracts**~~

~~The dealer registration exemption for exchange contracts contained in section 3.45 of NI 45-106 (and as limited by section 3.0 of NI 45-106) is only available in Alberta, British Columbia, Québec and Saskatchewan. In Manitoba and Ontario, exchange contracts are governed by commodity futures legislation.~~

~~Except in Saskatchewan, the dealer registration exemption for exchange contracts contained in section 3.45(1)(b) (and as limited by section 3.0) of NI 45-106 provides for trades resulting from unsolicited orders placed with an individual resident~~

~~outside the jurisdiction. However, if the individual conducts further trades in the future, that individual will be deemed to be carrying on business in the jurisdiction and will not be able to rely on this exemption.~~

PART 5 – FORMS

5.1 Report of ~~Exempt Distribution~~exempt distribution

(1) Requirement to file

An issuer that has distributed a security of its own issue under any of the prospectus exemptions listed in section 6.1 of NI 45-106 is required to file a report of exempt distribution, on or before the 10th day after the distribution. Alternatively, if an underwriter distributes securities acquired under section 2.33 of NI 45-106, either the issuer or the underwriter may complete and file the form. If there is a syndicate of underwriters, the lead underwriter may file the form on behalf of the syndicate or each underwriter may file a form relating to the portion of the distribution it was responsible for.

The required form of report is Form 45-106F1 *Report of Exempt Distribution* in all jurisdictions except British Columbia. In British Columbia, the required form of report is Form 45-106F6 *British Columbia Report of Exempt Distribution.*

In determining if it is required to file a report in a particular jurisdiction, the issuer or underwriter should consider the following questions:

(a) Is there a distribution in the jurisdiction? (Please refer to the securities legislation of the jurisdiction for guidance, if any, on when a distribution occurs in the jurisdiction.)

(b) If there is a distribution in the jurisdiction, what exemption from the prospectus requirement is the issuer relying on for the distribution of the security?

(c) Does the exemption referred to in paragraph (b) trigger a reporting requirement? (Reports of exempt distribution are required for distributions made in reliance on the prospectus exemptions listed in section 6.1 of NI 45-106.)

A distribution may occur in more than one jurisdiction. In this case, the issuer is required to file a single report in each Canadian jurisdiction where the distribution has occurred, except British Columbia. The report will set out all distributions in each Canadian jurisdiction.

If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file Form 45-106F6 with the British Columbia Securities Commission and file Form 45-106F1 in the other applicable jurisdictions.

(2) Access to information in jurisdictions other than British Columbia

The securities legislation of several provinces requires that information filed with the securities regulatory authority or, where applicable, the regulator under such securities legislation, be made available for public inspection during normal business hours except for information that the securities regulatory authority, or where applicable, the regulator,

(a) believes to be personal or other information of such a nature that the desirability of avoiding disclosure thereof in the interest of any affected individual outweighs the desirability of adhering to the principle that information filed with the securities regulatory authority or the regulator, as applicable, be available to the public for inspection,

(b) in Alberta, considers that it would not be prejudicial to the public interest to hold the information in confidence, and

(c) in Québec, considers that access to the information could result in serious prejudice.

Based on the above mentioned provisions of securities legislation, the securities regulatory authorities or regulators, as applicable, have determined that the information listed in Form 45-106F1 *Report of Exempt Distribution,* Schedule I ("Schedule I") discloses personal or other information of such a nature that the desirability of avoiding disclosure of this personal information outweighs the desirability of making the information available to the public for inspection. In addition, in Alberta, the regulator considers that it would not be prejudicial to the public interest to hold the information listed in Schedule I in confidence. In Québec, the securities regulatory authority considers that access to Schedule I by the public in general could result in serious prejudice and consequently, the information listed in Schedule I will not be made publicly available.

(3) Filings in British Columbia

For filings made in British Columbia, issuers are required to file Form 45-106F6 and pay the fees associated with that filing electronically using BCSC e-services. This requirement only applies to filings that are required to be made within 10 days of the distribution. It does not apply to filings made annually by investment funds under section 6.2(2) of NI 45-106. Please refer to BC Instrument 13-502 *Electronic Filing of Reports of Exempt Distribution* for further information.

5.2 Forms required under the offering memorandum exemption

NI 45-106 designates two forms of offering memorandum. The first, Form 45-106F2, is for non-qualifying issuers and the second, Form 45-106F3, can only be used by qualifying issuers (as defined in NI 45-106).

The required form of risk acknowledgment under sections 2.9(1)~~, 3.9(1), 2.9(2)~~ and ~~3.9~~2.9(2) of NI 45-106 is Form 45-106F4.

5.3 Real estate securities

Certain jurisdictions impose alternative or additional disclosure requirements in relation to the distribution of real estate securities by offering memorandum. Refer to securities legislation in the jurisdictions where securities are being distributed.

5.4 Risk ~~Acknowledgement Form Respecting Close Personal Friends and Close Business Associates – acknowledgement form for distributions to close personal friends and close business associates in~~ Saskatchewan

In Saskatchewan, a risk acknowledgment is also required under section 2.6(1) of NI 45-106~~ (and under section 3.6(1))~~ if the person intends to rely upon the "family, friends and business associates exemption" in section 2.5~~ (or in section 3.5)~~ of NI 45-106, which is based on a relationship of close personal friendship or close business association. The form of risk acknowledgement required in these circumstances is Form 45-106F5.

5.5 Risk acknowledgement form for distributions to individual accredited investors

A person relying on the accredited investor exemption in section 2.3 of NI 45-106 and section 73.3 of the *Securities Act* (Ontario) to distribute securities to an individual must obtain a signed risk acknowledgement from that individual accredited investor. Under subsection 2.3(7) of NI 45-106, this requirement does not apply if the individual accredited investor meets the highest threshold to be an individual accredited investor, that is, the individual owns $5 000 000 of financial assets as set out in paragraph (j.1) of the definition of "accredited investor" in section 1.1 of NI 45-106. The required form of risk acknowledgement for the accredited investor exemption is Form 45-106F9 *Form for Individual Accredited Investors*.

PART 6 – RESALE OF SECURITIES ACQUIRED UNDER AN EXEMPTION

6.1 Resale restrictions

In most jurisdictions, securities distributed under a prospectus exemption may be subject to restrictions on their resale. The particular resale, or "first trade", restrictions depend on the parties to the distribution and the particular exemption that was relied upon to distribute the securities. In certain circumstances, no resale restrictions will apply and the securities acquired under an exempt distribution will be freely tradable.

Resale restrictions are imposed under National Instrument 45-102 *Resale of Securities* ("NI 45-102"). While NI 45-106 contains text boxes providing commentary on resale, these text boxes are intended as guidance only and are not a substitute for reviewing the applicable provisions in NI 45-102 to determine what resale restrictions, if any, apply to the securities in question.

The resale restrictions operate by the resale transaction triggering the prospectus requirement unless certain conditions are satisfied. Securities that are subject to such restrictions in circumstances where the conditions cannot be satisfied may nevertheless be distributed under an exemption from the prospectus requirement, whether under NI 45-106 or other securities legislation.

~~**Amended and Restated September 28, 2009 except in Ontario.**~~

~~**In Ontario, Amended and Restated on the later of the following:**~~

~~**(a) September 28, 2009;**~~

~~**(b) the day on which sections 5 and 11, subsection 12(1) and section 13 of Schedule 26 of the *Budget Measures Act, 2009* are proclaimed in force.**~~

PART 7 – TRANSITION

7.1 **Transition – Application of ~~Amendments~~ IFRS amendments**

The amendments to NI 45-106 and this Companion Policy which came into effect on January 1, 2011 only apply in respect of an offering memorandum or an amendment to an offering memorandum of an issuer which includes or incorporates by reference financial statements of the issuer in respect of periods relating to financial years beginning on or after January 1, 2011.

~~[Amended October 3, 2011]~~

Modified: Except in Ontario, this Companion Policy takes effect on May 5, 2015. In Ontario, this Companion Policy will take effect on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.15 Changes to Companion Policy 45-501CP to OSC Rule 45-501 Ontario Prospectus and Registration Exemptions Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

CHANGES TO COMPANION POLICY 45-501CP – TO ONTARIO SECURITIES COMMISSION RULE 45-501 *ONTARIO PROSPECTUS AND REGISTRATION EXEMPTIONS*

This document reflects changes to Companion Policy 45-501CP – to Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*.

2.1 Other exemptions – In addition to the exemptions in the Rule, exemptions may also be available to persons under National Instrument 45-106 *Prospectus ~~and Registration~~ Exemptions* (NI 45-106) and other provisions of Ontario securities legislation, including exemptions from the registration requirement under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103).

3.0 Availability of Registration Exemptions – With the exception of the dealer registration exemptions set out in sections 3.3 [*Commodity futures option or contract*] and 3.4 [*Security of a co-operative*], section 3.0 of the Rule withdraws the availability of all of the dealer registration exemptions set out in Part 3 of the Rule after the coming into force of NI 31-103 (and the transition period provided for in section 3.0). The withdrawal of the availability of these registration exemptions reflects the anticipated adoption of a "business trigger" for the dealer registration requirement, as a precondition to the coming into force of NI 31-103.

Under the business trigger, persons who are not in the business of trading in securities will not be subject to the dealer registration requirement and will not require an exemption from the dealer registration requirement for their trading activities. Persons who are in the business of trading securities will generally be required to register as a dealer. The exemption from the dealer registration requirement set out in section 3.3 and 3.4 ~~and Part 4~~ of the Rule relate to circumstances where the trading activity or person involved in the trading activity is subject to another regulatory regime.

3.6 Soliciting purchasers – (1) ~~The exemptions from the dealer registration requirement identified in section 3.01 of the Rule are not available to a "market intermediary", except as therein provided (or as otherwise provided in local securities legislation).~~ Generally, a person is a market intermediary if the person is in the business of trading in securities as principal or agent. The term "market intermediary" is defined in Ontario Securities Commission Rule 14-501 *Definitions*.

5.2 Mandatory and voluntary use of offering memorandum – (1) An issuer must prepare an offering memorandum for use in connection with a distribution made in reliance on the prospectus exemption in section ~~2.1 of the Rule~~ 73.5 of the Act [*Government Incentive Security*].

(2) There is no obligation to prepare an offering memorandum for use in connection with a distribution made in reliance on a prospectus exemption in:

(a) ~~section 2.3 of NI 45-106~~ section 73.3 of the Act [*Accredited Investor*],

(b) ~~section 2.4 of NI 45-106~~ section 73.4 of the Act [*Private issuer*],

(c) section 2.7 of NI 45-106 [*Family, founder and control person – Ontario*]

(d) section 2.8 of NI 45-106 [*Affiliates*]

(e) section 2.10 of NI 45-106 [*Minimum amount investment*], or

(f) section 2.19 of NI 45-106 [*Additional investment in investment funds*].

Business practice may dictate the preparation of offering material that is delivered voluntarily to a prospective purchaser in connection with a distribution made in reliance on a prospectus exemption in sections ~~2.3~~ 73.3 of the Act, ~~2.4~~ 73.4 of the Act, 2.7, 2.8, 2.10 or 2.19 of NI 45-106. This offering material may constitute an "offering memorandum" as defined in Ontario Securities Commission Rule 14-501 *Definitions.*

5.3 Right of action for damages and right of rescission – (1) Part 5 of the Rule provides for the application of the rights referred to in section 130.1 of the Act if an offering memorandum is delivered to a prospective purchaser in connection with a distribution made in reliance on a prospectus exemption in:

(a) ~~section 2.3 of NI 45-106~~ section 73.3 of the Act or a predecessor exemption to section 73.3 of the Act (subject to the provisions of subsection 6.2(2) of the Rule) [*Accredited Investor*],

(b) ~~section 2.4 of NI 45-106~~ section 73.4 of the Act or a predecessor exemption to section 73.4 of the Act [*Private issuer*],

(c) section 2.7 of NI 45-106 [*Family, founder and control person – Ontario*],

(d) section 2.8 of NI 45-106 [*Affiliates*]

(e) section 2.10 of NI 45-106 [*Minimum amount investment*]

(f) section 2.19 of NI 45-106 [*Additional investment in investment funds*], or

(g) ~~section 2.1~~ section 73.5 of the Act or a predecessor exemption to section 73.5 of the Act [*Government incentive security*].

The rights apply when the offering memorandum is delivered mandatorily in connection with a distribution made in reliance on the exemptions in section ~~2.1 of the Rule~~ 73.5 of the Act or a predecessor exemption to section 73.5 of the Act, or voluntarily in connection with a distribution made in reliance on a prospectus exemption in section ~~2.3~~ 73.3 of the Act or a predecessor exemption to section 73.3 of the Act, section ~~2.4~~ 73.4 of the Act or a predecessor exemption to section 73.4 of the Act, 2.7, 2.8, 2.10 or 2.19 of NI 45-106.

5.4 Content of offering memorandum – (1) Other than in the case of an offering memorandum delivered in connection with a distribution made in reliance on the exemption in section ~~2.1 of the Rule~~ 73.5 of the Act or a predecessor exemption to section 73.5 of the Act and subject to subsection (2), Ontario securities legislation generally does not prescribe the content of an offering memorandum. The decision relating to the appropriate disclosure in an offering memorandum generally rests with the issuer, the selling security holder and their advisors.

6.1 Report of exempt distribution – (1) Section 6.1 of the Rule requires an issuer that has distributed a security of its own issue under section ~~2.1 of the Rule~~ section 73.5 of the Act or a predecessor exemption to section 73.5 of the Act [*Government incentive security*] to file Form 45-501F1 *Report of Exempt Distribution*, on or before the 10th day after the distribution.

These changes will take effect on the later of May 5, 2015 and the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.16 Changes to Companion Policy 11-102CP Passport System, NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, Companion Policy 23-103CP Electronic Trading and Direct Electronic Access to Marketplaces, Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations, Companion Policy 45-102CP to NI 45-102 Resale of Securities, Companion Policy 51-105CP Issuers Quoted in the U.S. Over-the-Counter Markets Relating to the Accredited Investor and Minimum Amount Investment Prospectus Exemptions

CHANGES TO SPECIFIED POLICIES

1. Companion Policy 11-102CP to Multilateral Instrument 11-102 Passport System, National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, Companion Policy 23-103CP Electronic Trading and Direct Electronic Access to Marketplaces, Companion Policy 31-103CP to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, Companion Policy 45-102CP to National Instrument 45-102 Resale of Securities, Companion Policy 51-105CP to Multilateral Instrument 51-105 Issuers Quoted in the U.S. Over-the-Counter Markets are changed by this Instrument.

2. The Policies named in section 1 are changed

(a) by replacing "National Instrument 45-106 *Registration and Prospectus Exemptions****" with "***National Instrument 45-106 *Prospectus Exemptions****" wherever it occurs, and***

(b) by replacing "National Instrument 45-106 *Prospectus and Registration Exemptions****" with "***National Instrument 45-106 *Prospectus Exemptions****" wherever it occurs.***

3. Except in Ontario, the changes to these policies take effect on May 5, 2015. In Ontario, the changes to these policies will take effect on the later of the following:

(a) May 5, 2015 and

(b) the day on which subsection 12(2) of Schedule 26 of the *Budget Measures Act, 2009* is proclaimed in force.

5.1.17 Changes to Companion Policy 45-106CP Prospectus and Registration Exemptions Relating to the Family, Friends and Business Associates Exemption

CHANGES TO COMPANION POLICY 45-106CP *PROSPECTUS AND REGISTRATION EXEMPTIONS*

This Annex reflects changes to 45-106CP that will take effect upon the coming into force of the Rule Amendments set out in Appendix A. Additions are represented in underlined text.

3.1 Soliciting purchasers

(1) Soliciting purchasers – Alberta, British Columbia, Manitoba, News Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon

Part 2, Division 1 (capital raising exemptions) in NI 45-106 does not prohibit the use of registrants, finders, or advertising in any form (for example, Internet, e-mail, direct mail, newspaper or magazine) to solicit purchasers under any of the exemptions. However, use of any of these means to find purchasers under the private issuer exemption in section 2.4 of NI 45-106 or under the family, friends and business associates exemption in section 2.5 of NI 45-106, may give rise to a presumption that the relationship required for use of these exemptions is not present. If, for example, an issuer advertises or pays a commission or finder's fee to a third party to find purchasers under the family, friends and business associates exemption, it suggests that the precondition of a close relationship between the purchaser and the issuer may not exist and therefore the issuer cannot rely on this exemption.

Use of a finder by a private issuer to find an accredited investor, however, would not preclude the private issuer from relying upon the private issuer exemption, provided that all of the other conditions to that exemption are met.

Any solicitation activities that aim to identify a particular category of investor should clearly state the kind of investor being sought and the criteria that investors will be required to meet. Any print materials used to find accredited investors, for example, should clearly and prominently state that only accredited investors should respond to the solicitation.

(2) Soliciting purchasers – Ontario

Part 2, Division 1 (capital raising exemptions) in NI 45-106 does not prohibit the use of registrants, finders, or advertising in any form (for example, Internet, e-mail, direct mail, newspaper or magazine) to solicit purchasers under any of the exemptions.

Any solicitation activities that aim to identify a particular category of investor should clearly state the kind of investor being sought and the criteria that investors will be required to meet. Any print materials used to find accredited investors, for example, should clearly and prominently state that only accredited investors should respond to the solicitation.

The Ontario Securities Commission considers the use of registrants, finders or advertising to find or attract purchasers to be inconsistent with the use of the family, friends and business associates exemption in section 2.5 of NI 45-106 and the private issuer exemption in section 2.4 of NI 45-106 for distributions to family members, close personal friends or close business associates. Since advertising should not be required to find a family member, close personal friend or close business associate, the Ontario Securities Commission does not expect that advertising would be used to find or attract purchasers for distributions made solely under section 2.5 of NI 45-106 or to identify purchasers for distributions made in reliance on that exemption. The Ontario Securities Commission also does not expect that advertising would be used for distributions made solely to family members, close personal friends or close business associates under section 2.4 of NI 45-106 or to identify those types of purchasers for distributions made in reliance on that exemption.

If a distribution is being made in reliance on one or more other prospectus exemptions, advertising in connection with those other exemptions does not prevent concurrent reliance on the family, friends and business associates exemption in section 2.5 or the private issuer exemption in section 2.4 of NI 45-106. Similarly, use of a finder by a private issuer to find an accredited investor would not preclude the private issuer from relying upon the private issuer exemption under section 2.4 of NI 45-106 provided that all of the other conditions to that exemption are met.

3.4.01 Payment of Finder's Fees or Commissions to Any Person

Subsection 2.5(2) of NI 45-106 prohibits the payment of commissions or finder's fees to any director, officer, founder or control person of an issuer or an affiliate of an issuer in connection with a distribution under the family, friends and business associates exemption.

The Ontario Securities Commission considers the payment of fees or commissions to any person, including registrants or finders, to identify, find or introduce one's family members, close personal friends or close business associates to be inconsistent with the family, friends and business associates exemption. However, the Ontario Securities Commission

recognizes that fees may be paid to a person in connection with a distribution under the family, friends and business associates exemption in certain circumstances.

For example:

- Documentation and certain other activities – Fees may be paid for the documentation and other activities relating to the closing of the distribution.

- Concurrent reliance on other prospectus exemptions – If distributing securities on the same terms concurrently under one or more other prospectus exemptions in respect of which fees or commissions are being paid, then such fees and commissions may also be paid in respect of securities distributed under the family, friends and business associates exemption.

5.1.18 Changes to Companion Policy 45-501CP to OSC Rule 45-501 Ontario Prospectus and Registration Exemptions Relating to the Family, Friends and Business Associates Exemption

CHANGES TO COMPANION POLICY 45-501CP
TO OSC RULE 45-501 *ONTARIO PROSPECTUS AND REGISTRATION EXEMPTIONS*

This Annex reflects changes to 45-501CP that will take effect upon the coming into force of the Rule Amendments set out in Appendix A. Additions are represented in underlined text and deletions are in stricken text.

5.2 Mandatory and voluntary use of offering memorandum – (1) An issuer must prepare an offering memorandum for use in connection with a distribution made in reliance on the prospectus exemption in section 2.1 of the Rule [*Government incentive security*].

(2) There is no obligation to prepare an offering memorandum for use in connection with a distribution made in reliance on a prospectus exemption in:

(a) section 2.3 of NI 45-106 [*Accredited investor*],

(b) section 2.4 of NI 45-106 [*Private issuer*],

~~(c)~~ (b.1) section ~~2.7~~2.5 of NI 45-106 [*Family, ~~founder and control person - Ontario~~friends and business associates*],

(c) [Repealed]

(d) section 2.8 of NI 45-106 [*Affiliates*],

(e) section 2.10 of NI 45-106 [*Minimum amount investment*], or

(f) section 2.19 of NI 45-106 [*Additional investment in investment funds*].

Business practice may dictate the preparation of offering material that is delivered voluntarily to a prospective purchaser in connection with a distribution made in reliance on a prospectus exemption in section 2.3, 2.4, ~~2.7~~,2.5, 2.8, 2.10 or 2.19 of NI 45-106. This offering material may constitute an "offering memorandum" as defined in Ontario Securities Commission Rule 14-501 Definitions.

5.3 Right of action for damages and right of rescission – (1) Part 5 of the Rule provides for the application of the rights referred to in section 130.1 of the Act if an offering memorandum is delivered to a prospective purchaser in connection with a distribution made in reliance on a prospectus exemption in:

(a) section 2.3 of NI 45-106 (subject to the provisions of subsection 6.2(2) of the Rule) [*Accredited investor*],

(b) section 2.4 of NI 45-106 [*Private issuer*],

(~~c~~b.1) section ~~2.7~~2.5 of NI 45-106 [*Family, ~~founder and control person - Ontario~~friends and business associates*],

(c) [Repealed]

(d) section 2.8 of NI 45-106 [*Affiliates*],

(e) section 2.10 of NI 45-106 [*Minimum amount investment*],

(f) section 2.19 of NI 45-106 [*Additional investment in investment funds*], or

(g) section 2.1 [*Government incentive security*].

The rights apply when the offering memorandum is delivered mandatorily in connection with a distribution made in reliance on the exemption in section 2.1 of the Rule, or voluntarily in connection with a distribution made in reliance on a prospectus exemption in section 2.3, 2.4, ~~2.7~~,2.5, 2.8, 2.10 or 2.19 of NI 45-106.

(2) A document delivered in connection with a distribution in a security made otherwise than in reliance on the prospectus exemptions referred to in subsection (1) does not give rise to the rights referred to in section 130.1 of the Act or subject the selling security holder to the requirements of Part 5 of the Rule.

5.5 Failure to disclose material information in ~~Review of~~ offering memorandum –

~~(1) An offering memorandum or any amendment to a previously delivered offering memorandum delivered to the Commission under section 5.4 of the Rule is not generally reviewed or commented on by Commission staff.~~

~~(2)~~ If Commission staff becomes aware that an offering memorandum contains a misrepresentation, fails to disclose material information relating to a security that is the subject of a distribution, or the distribution otherwise fails to comply with Ontario securities law, staff may ~~seek to effect~~ recommend remedial action~~.~~ or, in appropriate circumstances, enforcement action.

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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:
Aimia Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Base Shelf Prospectus dated April 27, 2015
NP 11-202 Receipt dated
Offering Price and Description:
$1,000,000,000.00
Debt Securities
Convertible Securities
Common Shares
and
Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2339778

Issuer Name:
Avnel Gold Mining Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 22, 2015
NP 11-202 Receipt dated April 22, 2015
Offering Price and Description:
$12,012,000.00 - 42,900,000 Units
Price: $0.28 per Offered Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #2336819

Issuer Name:
Boulevard Industrial Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 24, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
Maximum Offering: $20,000,000.00 - 181,818,182 Units
Minimum Offering: $5,000,000.00 - 45,454,545 Units
Price: $0.11 Per Unit
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Burgeonvest Bick Securities Limited
Paradigm Capital Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2339266

Issuer Name:
Capital Group Canadian Core Plus Fixed Income Fund (Canada)
Capital Group Canadian Focused Equity Fund (Canada)
Capital Group International Equity Fund (Canada)
Capital Group U.S. Equity Fund (Canada)
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated April 23, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
Series O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CAPITAL INTERNATIONAL ASSET MANAGEMENT (CANADA), INC.
Project #2338779

Issuer Name:
Dividend 15 Split Corp. II
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 22, 2015
NP 11-202 Receipt dated April 22, 2015
Offering Price and Description:
Offering: $ * - * Preferred Shares and * Class A Shares
Prices: $ *per Preferred Share and * per Class A Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Bank Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2338147

Issuer Name:
Dividend 15 Split Corp. II
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form dated April 23, 2015
NP 11-202 Receipt dated April 23, 2015
Offering Price and Description:
Offering: $50,220,000 - 2,700,000 Preferred Shares and 2,700,000 Class A Shares
Prices: $10.00 per Preferred Share and $8.60 per Class A Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Bank Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2338147

Issuer Name:
Espial Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
$35,000,000.00 - 8,750,000 Common Shares
Price: $4.00 per Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Beacon Securities Limited
Mackie Research Capital Corporation
Haywood Securities Inc.
PI Financial Corp.
Promoter(s):
-
Project #2336668

Issuer Name:
INFOR Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated April 22, 2015
NP 11-202 Receipt dated April 22, 2015
Offering Price and Description:
$100,000,000.00 -10,000,000 Class A Restricted Voting Units
Price: $10.00 per Class A Restricted Voting Unit

Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
TD Securities Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Cormark Securities Inc.
Manulife Securities Incorporated
Promoter(s):
INFOR FINANCIAL GROUP INC.
Project #2338162

Issuer Name:
Investors Group Equity Pool
Investors Group Income Pool
Principal Regulator - Manitoba
Type and Date:
Preliminary Simplified Prospectuses dated April 23, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
SERIES P MUTUAL FUND UNITS
Underwriter(s) or Distributor(s):
Investors Group Financial Inc. and Investors Group Securities Inc.
Promoter(s):
I.G. Investment Management Ltd.
Project #2338892

Issuer Name:
Investors Low Volatility Canadian Equity Class
Investors Low Volatility Global Equity Class
Maestro Balanced Portfolio Class
Maestro Growth Focused Portfolio Class
Maestro Income Balanced Portfolio Class
Principal Regulator - Manitoba
Type and Date:
Preliminary Simplified Prospectuses dated April 23, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
Series A Shares, Series B Shares, Series JDSC Shares, Series JNL Shares, Series TDSC Shares, Series TNL Shares, Series TJDSC Shares, Series TJNL Shares and Series TU Shares and Series U Shares
Underwriter(s) or Distributor(s):
INVESTORS GROUP FINANCIAL SERVICES INC.
INVESTORS GROUP SECURITIES INC.
Investors Group Financial Inc. and Investors Group Securities Inc.
Promoter(s):
I.G. INVESTMENT MANAGEMENT, LTD.
Project #2338803

Issuer Name:
Investors Low Volatility Canadian Equity Fund
Investors Low Volatility Global Equity Fund
Maestro Balanced Portfolio
Maestro Growth Focused Portfolio
Maestro Income Balanced Portfolio
Principal Regulator - Manitoba
Type and Date:
Preliminary Simplified Prospectuses dated April 23, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
SERIES A, B, C, JDSC, JNL, TDSC, TNL, TC, TJDSC, TJNL, U and TU Mutual Fund Units
Underwriter(s) or Distributor(s):
INVESTORS GROUP FINANCIAL SERVICES INC.
INVESTORS GROUP SECURITIES INC.
Investors Group Financial Inc. and Investors Group Securities Inc.
Promoter(s):
I.G. INVESTMENT MANAGEMENT, LTD.
Project #2338783

Issuer Name:
Leith Wheeler High Yield Bond Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectuses dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
Series B Units and Series B (C$ Hedged) Units
Underwriter(s) or Distributor(s):
LEITH WHEELER INVESTMENT FUNDS LTD.
Leith Wheeler Investment Funds Ltd.
Promoter(s):
LEITH WHEELER INVESTMENT COUNSEL LTD.
Project #2337949

Issuer Name:
Parex Resources Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
$118,950,000.00 - 13,000,000 Common Shares
Price: $9.15 per Common Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Firstenergy Capital Corp.
RBC Dominion Securities Inc.
Paradigm Capital Inc.
Haywood Securities Inc.
CIBC World Markets Inc.
Dundee Securities Ltd.
Peters & Co. Limited
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Edgecrest Capital Corporation
Promoter(s):
-
Project #2336143

Issuer Name:
Pure Multi-Family REIT LP
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
US$30,600,000.00 - 6,000,000 Units
US$5.10 Per Unit
CDN$6.26 Per Unit
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2339365

Issuer Name:
Scotia Private Premium Income Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
Series I and Series M units
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2339793

Issuer Name:
Silver Wheaton Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
US$2,000,000,000
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Units
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2340068

Issuer Name:
Stingray Digital Group Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Long Form Prospectus dated April 24, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
$ * - * Subordinate Voting Shares and Variable Subordinate Voting Shares
Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
GMP Securities L.P.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
-
Project #2339155

Issuer Name:
Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q,
Series T, Series V, Series W and Classic Series Securities (as indicated) of
AGF Canada Class* (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Canadian Growth Equity Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Canadian Large Cap Dividend Class* (Mutual Fund Series, Series F, Series O, Series Q,
Series T and Series V Securities)
AGF Canadian Large Cap Dividend Fund (Mutual Fund Series, Series D, Series F, Series O,
Series Q, Series T, Series V and Classic Series Securities)
AGF Canadian Small Cap Discovery Fund (Mutual Fund Series, Series F and Series O
Securities)
AGF Canadian Small Cap Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Canadian Stock Fund (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T
and Series V Securities)
AGF Dividend Income Fund (Mutual Fund Series, Series D, Series F, Series O, Series Q and
Series V Securities)
AGF American Growth Class* (Mutual Fund Series, Series D, Series F, Series O, Series Q,
Series T and Series V Securities)
AGF Asian Growth Class* (Mutual Fund Series, Series F and Series O Securities)
AGF China Focus Class* (Mutual Fund Series, Series F and Series O Securities)
AGF EAFE Equity Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Emerging Markets Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Emerging Markets Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF European Equity Class* (Mutual Fund Series, Series F, Series O, Series T and Series V
Securities)
AGF Global Dividend Fund (Mutual Fund Series, Series F, Series O, Series Q, Series T, Series V
and Series W Securities)
AGF Global Equity Class* (Mutual Fund Series, Series F, Series O, Series Q, Series T, Series V
and Series W Securities)
AGF Global Equity Fund (Mutual Fund Series, Series F, Series O, Series Q and Series W
Securities)
AGF Global Select Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Global Value Class* (Mutual Fund Series, Series F, Series O, Series T and Series V
Securities)
AGF Global Value Fund (Mutual Fund Series, Series D, Series F, Series O, Series T and Series
V Securities)
AGF International Stock Class* (Mutual Fund Series, Series F, Series O, Series T and Series V
Securities)

AGF U.S. AlphaSector Class* (Mutual Fund Series, Series F, Series O, Series Q and Series W Securities)
AGF U.S. Small-Mid Cap Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Canadian Resources Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Clean Environment Equity Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Global Resources Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Precious Metals Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Canadian Asset Allocation Fund (Mutual Fund Series, Series D, Series F, Series O, Series T and Series V Securities)
AGF Diversified Income Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Diversified Income Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Monthly High Income Fund (Mutual Fund Series, Series F, Series O, Series Q and Series T Securities)
AGF Tactical Income Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Traditional Balanced Fund (Mutual Fund Series, Series D, Series F, Series O, Series T and Series V Securities)
AGF Traditional Income Fund (Mutual Fund Series, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Emerging Markets Balanced Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF World Balanced Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Canadian Bond Fund (Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)
AGF Canadian Money Market Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Fixed Income Plus Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Inflation Plus Bond Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Short-Term Income Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Emerging Markets Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Floating Rate Income Fund (Mutual Fund Series, Series F, Series O, Series Q, Series T, Series V and Series W Securities)
AGF Global Aggregate Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Global Convertible Bond Fund (Mutual Fund Series, Series F, Series O, Series Q, Series V and Series W Securities)
AGF High Yield Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Total Return Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Elements Balanced Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q, Series T and Series V Securities)
AGF Elements Conservative Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O and Series Q Securities)
AGF Elements Global Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O and Series Q Securities)
AGF Elements Growth Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q, Series T and Series V Securities)
AGF Elements Yield Portfolio (Mutual Fund Series, Series F, Series J, Series O and Series Q Securities)
AGF Elements Balanced Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Elements Conservative Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)
AGF Elements Global Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)
AGF Elements Growth Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Equity Income Focus Fund (Mutual Fund Series, Series F, Series O, Series Q and Series T Securities)
AGF Income Focus Fund (Mutual Fund Series, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Inflation Focus Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
(* Class of AGF All World Tax Advantage Group Limited)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated April 17, 2015
NP 11-202 Receipt dated April 24, 2015

Offering Price and Description:
Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q, Series T, Series V, Series W and Classic Series Securities @ Net Asset Value

Underwriter(s) or Distributor(s):
-

Promoter(s):
AGF Investments Inc.

Project #2319602

Issuer Name:
American Hotel Income Properties REIT LP
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
Cdn$57,512,500.00
5,375,000 Units
Price: Cdn$10.70 per Offered Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC
HAYWOOD SECURITIES INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
Promoter(s):
-
Project #2333872

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
$2,000,000,000.00 - Medium Term Notes (Principal At Risk Notes)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Ltd.
Promoter(s):
-
Project #2336455

Issuer Name:
Brandes International Equity Fund
Sionna Canadian Equity Fund
(Class A units, Class AN units, Class D units, Class F units, Class FN units, Class K units,
Class L units, Class M units, Class W units and Class I units)
Brandes Global Equity Fund
(Class A units, Class AH units, Class AN units, Class D units, Class F units, Class FH units,
Class FN units, Class K units, Class KH units, Class L units, Class LH units, Class M units,
Class MH units, Class W units, Class I units and Class IH units)
Sionna Canadian Balanced Fund
(Class A units, Class AN units, Class F units, Class FN units, Class K units, Class L units,
Class M units, Class W units and Class I units)
Sionna Monthly Income Fund
Brandes Global Opportunities Fund
(Class A units, Class AN units, Class F units, Class FN units, Class K units, Class L units,
Class M units and Class I units)
Brandes Global Balanced Fund
(Class A units, Class F units, Class K units, Class L units, Class M units, Class W units and
Class I units)
Brandes U.S. Equity Fund
(Class A units, Class AH units, Class F units, Class FH units, Class K units, Class KH units,
Class L units, Class LH units, Class M units, Class MH units, Class W units, Class I units and
Class IH units)
Lazard Global Equity Income Fund
(Class A units, Class AH units, Class F units, Class FH units, Class K units, Class KH units,
Class L units, Class LH units, Class M units, Class MH units, Class I units and Class IH units)
Brandes Global Small Cap Equity Fund
Brandes Emerging Markets Value Fund (formerly Brandes Emerging Markets Equity Fund)
Brandes Canadian Equity Fund
(Class A units, Class D units, Class F units, Class K units, Class L units, Class M units and
Class I units)
Brandes U.S. Small Cap Equity Fund
Sionna Canadian Small Cap Equity Fund
Sionna Diversified Income Fund
Sionna Opportunities Fund
Lazard Emerging Markets Multi Asset Fund
Lazard Global Balanced Income Fund
(Class A units, Class F units, Class K units, Class L units, Class M units and Class I units)
Brandes Corporate Focus Bond Fund
(Class A units, Class AH units, Class F units, Class FH units, Class K units, Class KH units,
Class M units, Class MH units, Class I units and Class IH units)
Brandes Canadian Money Market Fund
(Class A units and Class F units)
Greystone Canadian Bond Fund
(Class A units, Class F units, Class K units, Class M units and Class I units)

Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 22, 2015
NP 11-202 Receipt dated April 23, 2015
Offering Price and Description:
(Class A units, Class AH units, Class F units, Class FH units, Class K units, Class KH units, Class L units, Class LH units, Class M units, Class MH units, Class W units, Class I units and Class IH units)
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investment Partners & Co.
Project #2319049

Issuer Name:
Canadian Credit Card Trust II
Principal Regulator - Quebec
Type and Date:
Final Base Shelf Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
Up to $1,700,000,000 Credit Card Receivables-Backed Notes
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
NATIONAL BANK OF CANADA
Project #2333213

Issuer Name:
Carmanah Technologies Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated April 23, 2015
NP 11-202 Receipt dated April 23, 2015
Offering Price and Description:
$28,250,000.00 - 5,650,000 Common Shares
PRICE: $5.00 PER COMMON SHARE
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
SALMAN PARTNERS INC.
Promoter(s):
-
Project #2333339

Issuer Name:
Dream Office Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
$2,000,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2333603

Issuer Name:
Excel India Growth & Income Company Ltd.
Type and Date:
Final Long Form Non-Offering Prospectus dated April 23, 2015
Receipted on April 24, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
EXCEL FUNDS MANAGEMENT INC.
Project #2331749

Issuer Name:
Excel India Growth & Income Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 23, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Raymond James Ltd.
TD Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Desjardins Securities Inc.
Dundee Securities Ltd.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Inc.
PI Financial Corp.
Sherbrooke Street Capital (SSC) Inc.
Promoter(s):
EXCEL FUNDS MANAGEMENT INC
Project #2329374

Issuer Name:
Fidelity Global Intrinsic Value Class* (Series A, B, F, F5, F8, T5, T8, S5 and S8 shares)
Fidelity Global Intrinsic Value Investment Trust (Series O units)
Fidelity American Balanced Fund (Series A, B, F, F5, F8, O, T5, T8, S5 and S8 units)
Fidelity Conservative Income Fund (Series A, B, F, F5, F8, O, T5, T8, S5 and S8 units)
Fidelity Strategic Income Fund (Series A, B, F and O units)
* Class of Fidelity Capital Structure Corp.
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 20, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
Series A, B, F, O, T5, T8, S5, S8, F5 and F8 units and shares
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Promoter(s):
FIDELITY INVESTMENTS CANADA ULC
Project #2318045

Issuer Name:
Series W and Series I units of
Guardian Balanced Fund
Guardian Balanced Income Fund
Guardian Canadian Bond Fund
Guardian Canadian Equity Fund
Guardian Canadian Growth Equity Fund
Guardian Canadian Short-Term Investment Fund
Guardian Canadian Small/Mid Cap Equity Fund
Guardian Equity Income Fund
Guardian Fundamental Global Equity Fund
Guardian Global Dividend Growth Fund
Guardian Global Equity Fund
Guardian Growth & Income Fund
Guardian High Yield Bond Fund
Guardian International Equity Fund
Guardian Managed Income & Growth Portfolio (also offers Series C units)
Guardian Managed Income Portfolio (also offers Series C units)
Guardian Private Wealth Bond Fund
Guardian Private Wealth Equity Fund
Guardian Short Duration Bond Fund
Guardian U.S. Equity Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 20, 2015
NP 11-202 Receipt dated April 22, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Worldsource Financial Management Inc.
Worldsource Securities Inc.
Guardian Capital LP
Worldsource Financial Management Inc.
Promoter(s):
Guardian Capital LP
Project #2319003

Issuer Name:
Horizons Canadian Midstream Oil & Gas Index ETF
Horizons Cdn Insider Index ETF
Horizons US Dollar Currency ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 23, 2015
Offering Price and Description:
Exhcange Traded Funds at Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2319632

Issuer Name:
Hudson's Bay Company
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
$363,515,000.00 - 13,340,000 Common Shares
Price: $27.25 per Offered Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
MORGAN STANLEY CANADA LIMITED
Promoter(s):
-
Project #2333835

Issuer Name:
Industrial Alliance Insurance and Financial Services inc.
Principal Regulator - Quebec
Type and Date:
Final Base Shelf Prospectus dated April 16, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
$2,000,000,000
Debt Securities Class
A Preferred Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2333736

Issuer Name:
Merus Labs International Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 24, 2015
NP 11-202 Receipt dated April 24, 2015
Offering Price and Description:
$60,000,210.00 - 19,672,200 Shares
Price: $3.05 per Offered Share
Underwriter(s) or Distributor(s):
CLARUS SECURITIES INC.
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
LAURENTIAN BANK SECURITIES INC.
GMP SECURITIES L.P.
TD SECURITIES INC.
Promoter(s):
-
Project #2335170

Issuer Name:
NUVISTA ENERGY LTD.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated April 21, 2015
NP 11-202 Receipt dated April 21, 2015
Offering Price and Description:
$110,007,700.00:
(1) $90,000,250.00 - 11,465,000 Common Shares
Price $7.85 per Common Share;
(2) $20,007,450.00 - 2,313,000 Flow-Through Shares
Price $8.65 per Flow-Through Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Peters & Co. Limited
CIBC World Markets Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2333426

Issuer Name:
Sprott Enhanced Balanced Class
Sprott Enhanced Balanced Fund
Sprott Enhanced Equity Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 23, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
Series A, Series T, Series F, Series FT and Series I Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2318494

Issuer Name:
Sprott Gold Bullion Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated April 23, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
Series A, Series F and Series I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2318489

Issuer Name:
Tech Achievers Growth & Income Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
Maximum $125,000,000.00 (12,500,000 Units)
$10.00 per Unit
Price: $10.00 per Unit and
(Minimum Purchase: 200 Units)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Dundee Securities Ltd.
PI Financial Corp.
Desjardins Securities Corp.
Global Securities Corporation
Industrial Alliance Securities Inc.
Promoter(s):
Harvest Portfolios Group Inc.
Project #2327156

Issuer Name:
Terra Firma Capital Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated April 27, 2015
NP 11-202 Receipt dated April 27, 2015
Offering Price and Description:
$12,500,100.00 - 14,706,000 Common Shares
Price: $0.85 per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Beacon Securities Limited
Paradigm Capital Inc.
Promoter(s):
-
Project #2335379

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	The Martello Group Inc.	Exempt Market Dealer	April 24, 2015
New Registration	Seven Hills Capital Corp.	Portfolio Manager	April 28, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Amendment to Universal Market Integrity Rule 1.1 – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS TO UNIVERSAL MARKET INTEGRITY RULE 1.1

The Ontario Securities Commission approved on February 24, 2015 amendments to IIROC Universal Market Integrity Rule 1.1. The amendments broaden the definition of Basis Order to specifically include Exempt Exchange-traded Funds. The amendments are effective immediately. A copy of the IIROC Notice was also published on our website on March 27, 2014 at http://www.osc.gov.on.ca.

In addition, the following did not object to, or approved the amendments: the British Columbia Securities Commission, the Alberta Securities Commission, the Autorité des marchés financiers, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities Office.

13.2 Marketplaces

13.2.1 Chi-X Canada ATS – Notice of Commission Approval of Proposed Changes – MOC Orders

CHI-X CANADA ATS

NOTICE OF COMMISSION APPROVAL OF PROPOSED CHANGES

On April 21, 2015, the Commission approved changes proposed by Chi-X Canada ATS, which would introduce a market on close order type (MOC Order).

A notice requesting feedback on the proposed changes was published on the OSC website and in the OSC Bulletin on February 19, 2015 at (2015), 38 OSCB 1832. Five comment letters were received. A summary of the comments submitted, together with Chi-X's responses, is attached at **Appendix A**.

Chi-X Canada ATS is expected to publish a notice indicating the intended implementation date of the approved changes.

Appendix A

SUMMARY OF COMMENTS – NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT – MOC ORDERS

Commenters

We received five comment letters in response to Chi-X Canada's published proposal to introduce a new MOC order type. Commenters reflected views from four dealers and one professional trade association; National Bank Financial, ITG Canada Corp., TD Securities Inc., BMO Capital Markets and the Canadian Securities Traders Association.

Summary

All commenters were strongly supportive of the proposed MOC order type. The importance of a properly functioning TSX Market-On-Close price discovery mechanism was cited as integral to the Canadian capital markets. Recognizing this, support was expressed for the Chi-X Canada MOC order for the following reasons:

- it will not threaten the integrity of the price formation process;
- hope that it will place competitive pressure for the TSX to enhance its functionality in order to address fairness issues with existing functionality today;
- it will break TSX's monopoly on this facility by offering competitive fees which in turn will decrease the cost borne by dealers transacting at the closing price

Commenters outlined that Alpha ATS was the only marketplace that has provided direct competition to the TSX MOC facility. However, as implemented, this facility fragmented the market-on-close process and led to the risk that some users would receive inferior priced closing orders than the TSX.

The importance of introducing competitive pressures for the TSX MOC facility was highly emphasized given the lack of growth of market-on-close volumes in Canada whereas in the United States market-on-close market share has flourished from 1.7% to 5% over four years. Explanation was suggested to be attributed to the fact that pricing for MOC orders is two times higher in Canada on a relative basis but over six to eleven times higher when comparing cost in basis points.

As a result of the benefits cited, commenters expressed their belief that the Chi-X Canada MOC order is the first credible competitive mechanism for directly addressing the high level of fees charged by the TMX. Chi-X Canada looks forward to bringing benefits to the industry and lowering costs for the dealer community.

13.2.2 Toronto Stock Exchange – Notice of Approval – Amendments to Section 720 of the TSX Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

AMENDMENTS TO SECTION 720 OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL

April 30, 2015

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 for recognized exchanges, Toronto Stock Exchange ("**TSX**") has adopted, and the Ontario Securities Commission ("**OSC**") has approved, amendments (the "**Amendments**") to Section 720 of the TSX Company Manual (the "**Manual**"). The Amendments are public interest rule amendments to the Manual. The Amendments were published for public comment in a request for comments on January 22, 2015 ("**Request for Comments**").

Background

Section 720 of the Manual sets out the requirements and process for an issuer to voluntarily delist from TSX. Currently, an issuer must apply to TSX in writing, outlining the reasons for the request. The issuer must also submit a certified copy of a resolution of the issuer's board of directors authorizing the voluntary delisting request. Security holder approval is not currently a requirement for a voluntary delisting.

In certain circumstances, security holders may be prejudiced because a voluntary delisting may severely curtail liquidity. In the absence of another marketplace or near term liquidity event, security holders may be unable to sell their securities while having expected such investment to be reasonably liquid. This may leave security holders vulnerable to predatory take-over bids, management buy-outs or other similar transactions. In addition, security holders will no longer have the additional protection of TSX's oversight of the issuer for dilutive and other capital transactions.

Summary of the Amendments

The Amendments to Section 720 require an issuer to submit an application for voluntary delisting to TSX, accompanied by: (a) a resolution of the issuer's board of directors authorizing the application to delist; and (b) a draft copy of the press release to be pre-cleared by TSX.

Under the Amendments, TSX will generally require approval by the holders of the affected class or series of securities for a voluntary delisting application for the principal equity class(es) of a listed issuer's securities, unless TSX is satisfied that: (a) an acceptable alternative market exists or will exist for the listed securities on or about the proposed delisting date; (b) security holders have a near term liquidity event, such as a going private transaction, for which all material conditions have been satisfied and the likelihood of non-completion is remote; or (c) the listed issuer is under delisting review and it is unlikely that TSX will be satisfied that the deficiencies will be cured within the prescribed period. If any insider has an interest which materially differs from other security holders, such insider will not be eligible to vote its securities. Furthermore, a security holder that controls 50% or more of the affected class or series of securities of a listed issuer will generally not be eligible to vote in respect to the voluntary delisting.

TSX will also generally require security holder approval for the voluntary delisting of other classes of listed securities, if such securities are not convertible, exercisable or exchangeable into another class of listed securities.

A draft copy of the information circular or form of written consent used to obtain security holder approval for the voluntary delisting application must be submitted to TSX for pre-clearance at least five business days prior to finalization.

The delisting date for the securities is not to be earlier than the tenth business day following the later of: (a) dissemination of the press release pre-cleared by TSX announcing the voluntary delisting; and (b) the issuer having obtained security holder approval for the voluntary delisting, if applicable.

Reasons for the Amendments

TSX proposed the Amendments to protect security holders and to preserve the integrity of the marketplace. TSX is concerned about the prejudice to security holders who may otherwise be deprived of a fair and orderly market for their securities without their approval. Security holder approval is not required if the issuer has or will obtain a listing on another marketplace, or there is a near term liquidity event.

Without the security holder approval requirement for the voluntary delisting, an issuer that is proposing a dilutive acquisition may apply for a voluntary delisting in order to avoid security holder approval. In such a situation, security holders may be deprived of an opportunity to vote on such dilutive acquisition and TSX's oversight of future transactions. In light of directors' fiduciary duties, it is rare for a board to approve a voluntary delisting in the absence of another marketplace or a near term liquidity event. Nonetheless, TSX has from time to time received such applications and accordingly proposed the Amendments to protect security holders while providing a transparent process.

In order to balance the interests of the investing public with those of security holders of an issuer that is under delisting review, the Amendments allow a voluntary delisting without security holder approval for listed issuers that are under delisting review where it is unlikely that the issuer will regain compliance. We believe the Amendments will allow TSX to properly administer continued listing privileges to the benefit of the market as a whole.

TSX will also exclude insiders from voting on the resolution to approve the voluntary delisting application when, in TSX's opinion, the insiders' interests materially differ from those of other security holders. Conflicts of interest could arise in the case of an announced going-private transaction led by management. This approach is consistent with TSX requirements for transactions involving insiders and related parties and is consistent with protecting the interests of the public and promoting the integrity of the Canadian capital market.

In addition, if a security holder controls 50% or more of the issued and outstanding securities of the affected class or series, such holder will be deemed to have interests materially differing from those of other security holders and will be excluded from the vote. Typically, a security holder with a majority controlling interest in an issuer has a significantly different interest than smaller security holders. The nature of the investment for such security holders tends to be of a longer term investment, often strategic and therefore typically a liquid market for the securities is less important. Excluding major controlling security holders from the vote is consistent with the approach by most of the other exchanges reviewed by TSX.

The Amendments will also improve the consistency of information about the voluntary delisting available to the market because the news release, information circular and form of consent, if applicable, will be subject to TSX review and pre-clearance. We believe that this will be beneficial to the quality of the marketplace and promote investor confidence.

To ease the cost and regulatory burden, issuers who are required to obtain security holder approval for a voluntary delisting will be able to rely on the procedure in Subsection 604(d) of the Manual to obtain the requisite security holder approval in writing rather than at a security holder meeting.

Review of Other Exchange Rules

We conducted a review of the voluntary delisting requirements among various other stock exchanges. With respect to the requirement for security holder approval for voluntary delistings, apart from the U.S. exchanges, other major exchanges require security holder approval. Domestically, Aequitas requires security holder approval, while the Canadian Stock Exchange does not. By way of reference, on TSX Venture Exchange, approval of the majority of minority security holders is required if an acceptable alternative market does not exist for the securities to be delisted. Public disclosure of an issuer's intention to voluntarily delist is a common requirement amongst the exchanges reviewed. Therefore, we believe that the Amendments are in line with most practices at peer exchanges for voluntary delisting.

Summary of the Final Amendments

TSX received one (1) comment letter in response to the Request for Comments. A summary of the comment submitted, together with TSX's response, is attached as **Appendix A**.

TSX thanks the commenter for its feedback.

Since the publication of the Request for Comments, TSX has not made any revisions to the Amendments.

Text of the Amendments

The final Amendments are attached as **Appendix B**.

Effective Date

The Amendments will become effective for listed issuers on April 30, 2015.

APPENDIX A

SUMMARY OF COMMENTS AND RESPONSES

List of Commenters:

Confidential Comment Letter

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the TSX Request for Comments – Amendments to Toronto Stock Exchange Company Manual dated January 22, 2015.

Summarized Comments Received	TSX Response
1. Is it appropriate for TSX to require security holder approval when issuers wish to voluntarily delist if they are not under delisting review and no other acceptable market exists?	
The requirements outlined in the Request for Comments seem to be designed to prevent a company from delisting and to ensure that issuers continue paying listing fees. The existing rules should remain and the issuer's management, which is elected by shareholders, should be permitted to determine whether to delist from TSX.	TSX thanks the commenter for its input. TSX, however, believes the requirement for security holder approval for a voluntary delisting addresses the potential prejudice to security holders who may be deprived of a reasonably liquid market for their securities without their approval. TSX notes that approval is not required if the issuer has or will obtain an acceptable alternative market or there is a near term liquidity event. TSX notes that, for this purpose, other Canadian recognized exchanges are acceptable alternative markets. Further, TSX notes that the Amendments bring TSX in line with practices at peer exchanges for voluntary delisting.

APPENDIX B

TEXT OF FINAL AMENDMENTS

G. Voluntary Delisting

720.

(a) A listed issuer may apply to have all or any class of its listed securities voluntarily delisted from TSX. The application should take the form of a letter addressed to TSX and should outline: (i) the reasons for the application to delist; (ii) whether security holder approval will be sought and if not, why; and (iii) the proposed date of delisting. The application should be accompanied by:

(i) a certified copy of a resolution of the listed issuer's board of directors (or other similar body) authorizing the application to delist; and

(ii) a draft copy of a press release to be pre-cleared by TSX, disclosing:

1. the application to voluntarily delist, together with the reasons for the application;

2. the anticipated date of the security holder meeting, if applicable;

3. the satisfaction of any of the conditions set out in Subsection 720(b) below, if applicable; and

4. the proposed delisting date.

(b) TSX will generally require approval by the holders of the affected class or series of securities as a condition of acceptance of a voluntary delisting application for the principal equity class(es) of the listed issuer's securities, unless TSX is satisfied that:

(i) an acceptable alternative market exists or will exist for the listed securities on or about the proposed delisting date;

(ii) security holders have a near term liquidity event, such as a going private transaction, for which all material conditions have been satisfied and the likelihood of non-completion is remote; or

(iii) the listed issuer is under delisting review for failure to comply with any of the delisting criteria in this Part VII of the Manual and it is unlikely that TSX will be satisfied that the deficiencies will be cured within the prescribed period.

If, in TSX's opinion, any insider of the listed issuer has a beneficial interest, directly or indirectly, in the voluntary delisting which materially differs from other security holders, such insiders are not eligible to vote their securities in respect of the voluntary delisting. Any security holder that beneficially owns, or controls or directs, directly or indirectly 50 percent or more of the issued and outstanding securities of the affected class or series will be deemed as having an interest which materially differs from other security holders and are not eligible to vote their securities in respect of the voluntary delisting.

TSX will also generally require security holder approval as a condition of acceptance of a voluntary delisting application for other classes of listed securities, if such securities are not convertible, exercisable or exchangeable at the holder's option into another class of listed securities.

A draft copy of the information circular or form of written consent used to obtain security holder approval for the voluntary delisting application must be submitted to TSX for pre-clearance at least five (5) business days prior to finalization.

The delisting date for the class of securities subject to the voluntary delisting shall not be earlier than the tenth (10th) business day following the later of: (i) dissemination of the press release pre-cleared by TSX announcing the voluntary delisting; and (ii) the issuer having obtained security holder approval for the voluntary delisting, if applicable.

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Chapter 25

Other Information

25.1 Approvals

25.1.1 East West Investment Management Corporation – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption(s).

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

April 21, 2015

Borden Ladner Gervais LLP
Scotia Plaza, 40 King Street West
Toronto, Ontario M5H 3Y4

Attention: Prema K. R. Thiele, Partner and Matthew P. Williams, Partner

Dear Sirs/Mesdames:

Re: East West Investment Management Corporation (the "Applicant")

Application under paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application #2015/0089

Further to your application dated February 18, 2015 (the "**Application**") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of SW8 Strategy Trust and any future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held in the custody of an entity that meets the requirements of Section 6.2 of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") for assets held in Canada and Section 6.3 of NI 81-102 for assets held outside of Canada, the Ontario Securities Commission (the "**Commission**") makes the following order:

Pursuant to the authority conferred on the Commission in paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of SW8 Strategy Trust and any future mutual fund trusts, which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

Christopher Portner
Commissioner
Ontario Securities Commission

James D. Carnwath, QC
Commissioner
Ontario Securities Commission

25.1.2 AYAL Capital Advisors Limited – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption(s).

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

April 21, 2015

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, Ontario M5V 3J7

Attention: A. Timothy Baron

Dear Sirs/Mesdames:

Re: AYAL Capital Advisors Limited (the "Applicant")

Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for Approval to act as trustee

Application #2015/0047

Further to your application dated January 29, 2015 (the "**Application**") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of AYAL Capital Advisors Trust (the "**Original Trust**") and any other future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held by a custodian that meets the requirements of section 6.2 of National Instrument 81-102 – *Investment Funds* ("**NI 81-102**"), if such assets are to be held in Canada, or section 6.3 of NI 81-102, if such assets are to be held outside of Canada, the Ontario Securities Commission (the "**Commission**") makes the following order:

Pursuant to the authority conferred on the Commission in paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Original Trust and any other future mutual fund trusts, which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Christopher Portner"
Commissioner
Ontario Securities Commission

"James D. Carnwath"
Commissioner
Ontario Securities Commission

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