The Ontario Securities Commission

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September 17, 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 OSC Staff Notice 31-715, IIROC Notice Number 15-0210 and MFDA Bulletin Number 0658-C – Mystery Shopping for Investment Advice: Insights into advisory practices and the investor experience in Ontario

Ontario securities laws and the rules of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) require registrants to deal fairly, honestly and in good faith with clients. Collectively, they set out the principles of "Know-Your-Client" (KYC), "Know-Your- Product" (KYP) and suitability obligations for registrants. These obligations are the core investor protection controls that work together to require advisors to know the client, know the product and then to make recommendations that are suitable to the client's specific circumstances.

The Ontario Securities Commission (OSC), IIROC and MFDA are committed to advancing regulatory reforms that put the interests of investors first. The OSC has undertaken a number of research projects to collect and analyze data to determine whether any specific regulatory measures are needed to improve the quality of investment advice and the client experience in their interactions with advisors in the securities sector. Mystery shopping is one of the forms of research we chose to conduct to inform our decisions on these crucial investor protection policies. Mystery shopping is a form of consumer market research where individuals, acting as potential customers, are trained to objectively record their observations and interactions with service providers.

The OSC, IIROC and MFDA undertook a joint mystery shopping initiative to gain insights into the advice process through the eyes of potential investors on four investment platforms: exempt market dealers, investment dealers, mutual fund dealers and portfolio managers. By taking this perspective, we could see how investors participate in the advice process, how they understand it and what their expectations are when they get advice. We were also able to reflect on how those experiences and their understanding and impressions correspond with our regulatory expectations for compliance.

The OSC, IIROC and MFDA have published today a report (Report) on the results of the mystery shopping research. The Report sets out the key findings, conclusions and the next steps we plan to take to address the findings. It also includes detail on other aspects of the initiative, including the mystery shop research design and roll-out and the evaluation benchmark used to evaluate the shops. The report is available on the OSC's website at www.osc.gov.on.ca. It is also available on www.mfda.ca and www.iiroc.ca.

September 17, 2015

Questions

Questions concerning the Report may be referred to:

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E-mail	inquiries@osc.gov.on.ca

1.2 Notices of Hearing

1.2.1 Daniel William Yanaky – ss. 8, 21.7

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
THE DECISION OF A HEARING PANEL OF
THE MUTUAL FUND DEALERS ASSOCIATION OF
CANADA DATED MARCH 17, 2015

AND

IN THE MATTER OF
DANIEL WILLIAM YANAKY

NOTICE OF HEARING
(Sections 8 and 21.7 of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing, pursuant to sections 8 and 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, at the offices of the Commission located at 20 Queen Street West, 17th Floor, in the City of Toronto, on February 4, 2016 at 10:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE FURTHER NOTICE that the purpose of the hearing is for the Commission to consider a request from Daniel William Yanaky for a Hearing and Review of the decision of a hearing panel of the Mutual Fund Dealers Association of Canada dated March 17, 2015.

DATED at Toronto this 14th day of September, 2015.

"Josée Turcotte"
Secretary to the Commission

1.2.2 Dennis L. Meharchand 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
DENNIS L. MEHARCHAND, KWOK YAN LEUNG
(also known as TONY LEUNG) and
VALT.X HOLDINGS INC.

NOTICE OF HEARING
(Subsections 127(7) & 127(8) of the Securities Act)

WHEREAS the Ontario Securities Commission (the "Commission") issued a temporary order on September 11, 2015 (the "Temporary Order") pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c S.5, as amended (the "Act") ordering the following:

1. pursuant to paragraph 2 of subsection 127(1), trading in any securities by Dennis L. Meharchand ("Meharchand"), Kwok Yan Leung (also known as Tony Leung) ("Leung") and Valt.X Holdings Inc. ("Valt.X") shall cease;

2. pursuant to paragraph 2 of subsection 127(1), all trading in securities of Valt.X shall cease;

3. pursuant to paragraph 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Meharchand, Leung and Valt.X;

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and 127(8) of the Act at the offices of the Commission, 17th Floor, 20 Queen Street West, Toronto, commencing on September 23, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

1. to extend the Temporary Order pursuant to subsections 127(7) and 127(8) of the Act until the conclusion of the hearing or until such further time as considered necessary by the Commission; and

2. to make such further orders as the Commission considers appropriate;

BY REASON OF the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

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

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

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

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

DATED at Toronto this 15th day of September, 2015

"Josée Turcotte"
Secretary to the Commission

1.2.3 Majestic Supply Co. Inc. et al.

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

AND

**IN THE MATTER OF
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.**

NOTICE OF HEARING

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on October 30, 2015 at 10:00 a.m., or as soon thereafter as the hearing can be held, to consider a matter remitted back to the Commission for a fresh determination of certain sanctions ordered against Kevin Loman ("Loman") (Loman v. Ontario Securities Commission, 2015 ONSC 4083);

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

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

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

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

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

"Josée Turcotte"
Secretary to the Commission

1.5 Notices from the Office of the Secretary

1.5.1 Portfolio Strategies Securities Inc. and Clifford Todd Monaghan

FOR IMMEDIATE RELEASE
September 10, 2015

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

AND

IN THE MATTER OF
A HEARING AND REVIEW OF THE DECISION OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA REGARDING PORTFOLIO STRATEGIES SECURITIES INC.

AND

IN THE MATTER OF
CLIFFORD TODD MONAGHAN

TORONTO – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference be held on September 16, 2015 at 10:30 a.m. via conference call.

A copy of the Order dated September 10, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
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For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Paul Camillo DiNardo

FOR IMMEDIATE RELEASE
September 11, 2015

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

AND

IN THE MATTER OF
PAUL CAMILLO DINARDO

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

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials shall be served and filed no later than September 21, 2015;

(c) DiNardo's responding materials, if any, shall be served and filed no later than October 19, 2015; and

(d) if applicable, Staff's reply materials, if any, shall be served and filed no later than November 2, 2015.

A copy of the Order dated September 9, 2105 is available at www.osc.gov.on.ca.

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1.5.3 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
September 11, 2015

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

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and XUNDONG QIN
also known as SAM QIN

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

1. pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until November 12, 2015, or until further order of the Commission; and

2. the hearing of this matter is adjourned until November 9, 2015, at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

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

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1.5.4 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
September 11, 2015

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

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and XUNDONG QIN
also known as SAM QIN

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

1. the Third Appearance in this matter be held on November 9, 2015 at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties;

2. Staff shall provide to the Respondents their witness summaries by September 18, 2015; and

3. the Respondents shall provide to Staff by October 21, 2015, their witness lists and witness summaries and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence.

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

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1.5.5 Pro-Financial Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
September 14, 2015

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC.,
STUART MCKINNON and JOHN FARRELL

TORONTO – The Commission issued its Reasons and Decision (Motion for Exemption and Registration) in the above named matter.

A copy of the Reasons and Decision dated September 11, 2015 is available at www.osc.gov.on.ca.

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1.5.6 Daniel William Yanaky

FOR IMMEDIATE RELEASE
September 14, 2015

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
THE DECISION OF A HEARING PANEL OF
THE MUTUAL FUND DEALERS ASSOCIATION OF
CANADA DATED MARCH 17, 2015

AND

IN THE MATTER OF
DANIEL WILLIAM YANAKY

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on February 4, 2016 at 10:00 a.m., or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated September 14, 2015 is available at www.osc.gov.on.ca.

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1.5.7 Eda Marie Agueci et al.

FOR IMMEDIATE RELEASE
September 14, 2015

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

AND

IN THE MATTER OF
EDA MARIE AGUECI, DENNIS WING, SANTO IACONO, JOSEPHINE RAPONI, KIMBERLEY STEPHANY, HENRY FIORILLO, GIUSEPPE (JOSEPH) FIORINI, JOHN SERPA, IAN TELFER, JACOB GORNITZKI and POLLEN SERVICES LIMITED

TORONTO – The Commission issued an Order in the above named matter which provides that that pursuant to subsection 17(1) of the Act, Frizelle may disclose, for the purpose of the Petition, that he was served with a summons by Staff, that he attended for an examination on October 18, 2011 after being served with a summons and that he provided documents and other information in response to the undertakings given during the course of the examination.

A copy of the Order dated September 10, 2015 is available at www.osc.gov.on.ca.

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1.5.8 Oversea Chinese Fund Limited Partnership et al.

FOR IMMEDIATE RELEASE
September 15, 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 hearing is adjourned to Friday, September 18, 2015 at 10:00 a.m. and the Temporary Order shall continue, as previously ordered, to Friday, September 18, 2015, 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 September 14, 2015 is available at www.osc.gov.on.ca.

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1.5.9 Weizhen Tang

FOR IMMEDIATE RELEASE
September 15, 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 Friday, October 2, 2015 at 9:00 a.m.

A copy of the Order dated September 14, 2015 is available at www.osc.gov.on.ca.

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1.5.10 Dennis L. Meharchand et al.

FOR IMMEDIATE RELEASE
September 15, 2015

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

AND

IN THE MATTER OF
DENNIS L. MEHARCHAND, KWOK YAN LEUNG
(also known as TONY LEUNG) and
VALT.X HOLDINGS INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on September 23, 2015 at10:00 a.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and 127(8) of the Act until the conclusion of the hearing or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated September 15, 2015 and Temporary Order dated September 11, 2015 are available at www.osc.gov.on.ca.

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1.5.11 Majestic Supply Co. Inc. et al.

FOR IMMEDIATE RELEASE
September 15, 2015

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

AND

IN THE MATTER OF
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on October 30, 2015 at 10:00 a.m. at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room or as soon thereafter as the hearing can be held, to consider a matter remitted back to the Commission for a fresh determination of certain sanctions ordered against Kevin Loman (Loman v. Ontario Securities Commission, 2015 ONSC 4083).

A copy of the Notice of Hearing dated September 15, 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 CanElson Drilling Inc. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

Citation: Re CanElson Drilling Inc., 2015 ABASC 856

September 3, 2015

Blake, Cassels & Graydon LLP
3500, Bankers Hall East
855 - 2 Street SW
Calgary, AB T2P 4J8

Attention: Jennifer Marshall

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

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

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

The Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

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

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

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.2 FT Portfolios Canada Co. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization – Approval required because merger does not meet the criteria for pre-approval – merger conducted on a taxable basis and fund facts not delivered with circular – Securityholders provided with timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 19.1.

September 8, 2015

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

AND

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

AND

IN THE MATTER OF
FT PORTFOLIOS CANADA CO.
(the Filer)

AND

IN THE MATTER OF
FIRST TRUST SHORT DURATION HIGH YIELD BOND ETF AND FIRST TRUST ADVANTAGED SHORT DURATION HIGH YIELD BOND FUND

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of First Trust Short Duration High Yield Bond ETF ("**FHY**" or the "**Terminating Fund**") and First Trust Advantaged Short Duration High Yield Bond Fund ("**FSD**" or the "**Continuing Fund**") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for approval pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") in connection with the proposed merger of FHY and FSD (the "**Requested Approval**").

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

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer is the manager of FHY and FSD as well as Short Duration High Yield Portfolio Trust (the "**Portfolio Trust**"), which is the underlying fund of FSD. The Filer is a registered as an investment fund manager in the Province of Ontario.

2. The principal offices of the Filer, FHY and FSD are located at 330 Bay Street, Suite 1300, Toronto, ON, M5H 2S8.

3. Neither the Filer nor FHY or FSD is in default of the securities legislation of any province or territory of Canada.

The Funds

4. FSD is a closed-end investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated April 26, 2011. Computershare Trust Company of Canada acts as the trustee of FSD.

5. FHY is an exchange-traded fund or an "ETF" established under the laws of the Province of Ontario pursuant to declaration of trust dated June 19, 2014. The Filer acts as trustee of FHY.

6. Each of FSD and FHY is a reporting issuer under the laws of all of the Passport Jurisdictions. The Portfolio Trust is a reporting issuer in the Provinces of Ontario and Quebec.

7. FHY offers common units and advisor class units (the "**FHY Units**"), which currently trade on the TSX under the ticker symbol FHY and FHY.A.

FSD's issued Class A units currently trade on the TSX under the ticker symbol FSD.UN., and its issued Class F units are not listed for trading (the "**FSD Units**").

8. FSD, through exposure to a diversified portfolio comprised of high yield debt and other assets acquired and held by the Portfolio Trust, seeks to achieve the following objectives: (i) provide FSD unitholders with attractive, monthly, tax-advantaged distributions and (ii) preserve capital. FSD obtains exposure to North American high yield bonds, and in particular short duration high yield bonds. Under normal circumstances, at least 70% of the fund's total assets are invested in below investment-grade North American debt securities, comprised primarily of U.S. dollar-denominated debt securities. The focus is on short duration high yield bonds with a maximum remaining term to maturity of five years. The holdings of the portfolio are diversified by industry sector, maturity and credit rating.

9. To achieve its investment objective, FSD has entered into a forward agreement with The Bank of Nova Scotia (the "**Counterparty**") dated May 20, 2011 (the "**Forward Agreement**"). The return to unitholders of FSD is dependent upon the return on the portfolio held by the Portfolio Trust by virtue of the Forward Agreement. Pursuant to the Forward Agreement, the Counterparty has agreed to deliver to FSD on May 20, 2016 a portfolio of common shares Canadian public companies that are "Canadian securities" for the purposes of the Tax Act with an aggregate value equal to the redemption proceeds of a corresponding number of units of the Portfolio Trust, net of any amount owing by the FSD to the Counterparty. FSD will continue to maintain this structure after the Conversion (as defined below) for as long as FSD may derive benefits from it under Canadian tax laws. After May 20, 2016, FSD will no longer employ a forward agreement and will thereafter hold all of its portfolio investments directly.

10. FHY seeks to provide its unitholders with a high level of current income with a secondary investment objective of capital appreciation. FHY primarily invests in a diversified portfolio of below investment grade debt securities as rated by Moody's Investor Services, Inc., and Standard & Poors (Ba1/BB+ or below) or a similar rating by a designated rating organization (as defined in NI 81-102), with a secondary investment objective of capital appreciation. Securities may also be non-rated but considered to be of comparable credit quality to other below investment grade securities. FHY may also invest opportunistically in senior floating rate loans, investment grade debt securities and convertible bonds. The fund's aggregate exposure to senior floating rate loans is limited to 40% of its net asset value. The weighted average duration of FHY's portfolio securities may not exceed 3 years.

11. Units of each of FSD and FHY are qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") for registered retirement savings plans, registered retirement income funds, tax-free savings accounts, registered education savings plans, deferred profit sharing plans and registered disability savings plans.

The Conversion of FSD

12. Prior to implementation of the Merger, the Filer is proposing to convert FSD from a closed-end investment fund to an ETF (the "**Conversion**"). The Conversion was approved by the unitholders of FSD at a meeting of unitholders. If the Conversion is implemented, the Class A units and Class F units of FSD will be redesignated as advisor class units and common units, respectively, and the name of FSD will be changed to First Trust Short Duration High Yield Bond ETF II, as the Continuing Fund. The Filer will also apply to list the common units of FSD (formerly the Class F units) on the TSX.

13. In connection with the Conversion:

    (a) the investment objectives and investment strategies of FSD will be changed so that they align with the investment objectives and investment strategies of FHY (while maintaining FSD's forward agreement structure for as long as FSD may derive benefits from it under Canadian tax laws);

    (b) the Filer will remain as manager of FSD and the Portfolio Trust and will become the trustee of FSD, replacing Computershare Trust Company of Canada;

    (c) First Trust Advisors L.P. (the "**Portfolio Advisor**") will remain as advisor to FSD and the Portfolio Trust, and will manage the portfolio investments held by the Portfolio Trust instead of continuing the existing sub-advisor relationship with First Western Capital Management Company;

    (d) CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company will assume the roles of custodian and valuation agent of FSD, respectively. They now perform those roles for the other ETFs managed by the Filer;

    (e) Equity Financial Trust Company will assume the role of the registrar and transfer agent, and distribution reinvest-

ment plan agent for the advisor class units and common units of FSD. It now performs these roles for the other ETFs managed by the Filer; and

(f) the Independent Review Committee of FSD will remain the same.

14. As a result of the Conversion:

(a) the investment objective of each of FSD and FHY will be to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of below investment grade debt securities as rated by Moody's Investor Services, Inc., and Standard & Poors (Ba1/BB+ or below) or a similar rating by a designated rating organization (as defined in NI 81-102), and a secondary objective will be to seek capital appreciation;

(b) FSD and FHY will have substantially similar valuation procedures and the same management fee structure;

(c) each of FSD and FHY will be subject to the investment restrictions and practices contained in Canadian securities law, including NI 81-102, and will be managed in accordance with these restrictions and practices; and

(d) each of FSD and FHY will be governed by the master declaration of that applies to all of the ETFs managed by the Filer, which (i) provides for the ongoing issuance of units at net asset value per unit to designated brokers and dealers; (ii) provides exchange and redemption rights to unitholders as well as secondary market trading; and (iii) enables the fund to distribute its units continuously.

The Merger

15. Under the Merger, the Terminating Fund will transfer all or substantially all of its net assets to FSD in consideration for the issuance by FSD to FHY of a number of FSD advisor class units and FSD common units determined based on an exchange ratio established as of the close of trading on the business day immediately preceding the effective date of the Merger (the "**Exchange Ratios**").

16. The Exchange Ratios will be calculated based on the relative net asset values of the FSD Units and the FHY Units.

17. Immediately following the transfer of assets of FHY to FSD and the issuance of FSD Units to FHY, all the FHY Units will be automatically redeemed. Each FHY unitholder will receive such number of FSD Units as is equal to the number of FHY Units of a class held multiplied by the Exchange Ratio of the units of the relevant class.

18. As soon as reasonably possible following the Merger, the Terminating Fund will be wound up and the Continuing Fund will continue as an ETF existing under the laws of Ontario.

19. Unitholders of FHY approved the Merger at a special meeting of unitholders that was held on August 10, 2015, as required pursuant to NI 81-102. In approving the Merger, unitholders of FHY have, in effect, indicated their acceptance of the fundamental investment objective of the Continuing Fund which will be the same as FHY.

20. Subject to necessary regulatory approval, the Merger is expected to occur in September 2015. Implementation of the Merger is also conditional upon approval of the Conversion by unitholders of FSD.

21. A notice of meeting, a management information circular dated June 23, 2015 (the "**Circular**") and a proxy in connection with the Conversion and Merger has been mailed to the unitholders of FSD and FHY, respectively, in accordance with applicable securities laws. ETF summary documents of the Continuing Fund were not sent to unitholders, as they will not become available until the Continuing Fund converts to an ETF. The Circular provided prospectus level disclosure, including a description of the proposed Conversion and Merger, information about FHY and FSD and the income tax considerations for unitholders of FHY and FSD. The Circular discloses that unitholders of FHY and FSD may obtain at no cost, the most recent annual and, the and the most recent annual management report on fund performance, as well as the current annual information form of FSD and the current prospectus of FHY, by contacting the Filer or by accessing the website of the Filer or the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

22. The Filer will pay for the costs and expenses associated with the Conversion and the Merger, including the cost of holding the meetings and of soliciting proxies, including costs of mailing the Circular and accompanying materials. FSD and FHY will not bear any of the costs and expenses associated with the Conversion or the Merger.

23. As required by National Instrument 81-107 – *Independent Review Committee*, the terms of the Conversion were presented to the independent review committee (the "**IRC**") of FSD for its review and recommendation. After considering the potential conflict of interest matter related to the

Conversion, the IRC provided its positive recommendation for the Conversion.

24. As required by National Instrument 81-107 – *Independent Review Committee*, the terms of the Merger were presented to the IRC of FHY for its review and recommendation. After considering the potential conflict of interest matter related to the Merger, the IRC provided its positive recommendation for the Merger.

25. Units of the Terminating Fund will continue to be offered, exchanged and redeemed on a daily basis up to the business day immediately prior to the effective date of the Merger, primarily through the designated brokers and dealers of the Terminating Fund.

26. The management fee of the Continuing Fund will be the same or lower than the Terminating Fund.

27. In addition, unitholders of the Terminating Fund will be able to trade their units on the TSX in the ordinary course at least until the close of business on the business day before the effective date of the Merger.

28. The cash and any other assets of the Terminating Fund acquired by the Continuing Fund in connection with the Merger will be acquired in compliance with NI 81-102.

29. A press release was issued on June 25, 2015 and a material change report was filed on SEDAR by FHY and FSD relating to the proposed Conversion and Merger on June 30, 2015.

30. An amendment dated July 4, 2015 to the long form prospectus of FHY dated June 4, 2015 announcing the Merger proposal and Conversion has been filed on SEDAR.

31. FSD will file a preliminary long form prospectus in order to be able to continuously distribute FSD Units if the Conversion is approved by FSD unitholders.

32. Under section 5.6 of NI 81-102, approval of the Merger by the regulator is not required if all of the criteria for pre-approval listed in paragraphs 5.6(1)(a) through (i) are satisfied.

Submissions

33. The foregoing representations indicate that the Merger will satisfy all the requirements of paragraphs 5.6(1)(a) through (i) of NI 81-102 with the following exceptions:

    (a) the Merger will not meet the requirement of paragraph 5.6(1)(a), as it will not be a "qualifying exchange" within the meaning of section 132.2 of the Tax Act or a tax deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act; and

    (b) the Merger will not meet the requirement of paragraph 5.6(1)(f)(ii), as the Manager was unable to deliver the ETF summary document together with the Circular since the document will only be available at later date.

34. The Filer has concluded in respect of the Terminating Fund that the pre-approval under section 5.6 of NI81-102 is not available since paragraphs 5.6(1)(a) and 5.6(1)(f)(ii) have not been satisfied.

35. The Manager believes that the Merger will be beneficial to securityholders of the Terminating Fund for the following reasons:

    (a) Unitholders may experience a lower management expense ratio as a result of the larger asset base of the Continuing Fund;

    (b) the Continuing Fund has existing non-capital tax losses and will also own portfolio assets directly after the Merger, so the Continuing Fund should be able to use such losses which will benefit all unitholders of the Continuing Fund; and

    (c) in the near term, the Continuing Fund provides for a more efficient tax structure by utilising the Forward Agreement.

Decision

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

The decision of the principal regulator is that the Requested Approval is granted.

"Darren McKall"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.3 FT Portfolios Canada Co. and First Trust Advantaged Short Duration High Yield Bond Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subsection 2.1(1) and paragraph 2.5(2)(a) of NI 81-102 to allow certain conventional open-end mutual funds to invest in securities of another mutual fund and exceed the 10% concentration restriction – Relief needed because underlying funds that do not file a simplified prospectus under NI 81-101 and are not index participation units eligible for exemptions under the rule – Underlying fund is not subject to NI 81-102, is not a commodity pool under NI 81-104, and does not rely on any exemptive relief from the restrictions regarding the purchase of physical commodities, the use of derivatives and the use of leverage – Top fund to apply "look-through" requirement in subsections 2.1(3) and (4) of NI 81-102 to each investment in securities of an Underlying Fund.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.5(2)(a).

September 8, 2015

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

AND

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

AND

IN THE MATTER OF
FT PORTFOLIOS CANADA CO.
(the Filer)

AND

IN THE MATTER OF
FIRST TRUST ADVANTAGED SHORT DURATION
HIGH YIELD BOND FUND
(the "Top Fund")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting an exemption (the **Exemption Sought**) to the Top Fund from the following prohibitions in NI 81-102 *Investment Funds* ("**NI 81-102**"):

(a) subsection 2.1(1) (the **Concentration Restriction**), to permit the Top Fund to indirectly hold units of Short Duration High Yield Portfolio Trust (the **Underlying Fund**) even though, immediately after the transaction, more than 10 percent of the net asset value (**NAV**) of the Top Fund would be invested, directly or indirectly, in the securities of the Underlying Fund; and

(b) subsection 2.5(2)(a) of NI 81-102, to permit the Top Fund to indirectly invest in securities of the Underlying Fund.

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

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

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

Interpretation

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

Representations

The Filer

1. The Filer is a corporation formed by amalgamation pursuant to a certificate of amalgamation dated November 29, 2001 under the federal laws of Nova Scotia. The head office of the Filer is located in Toronto, Ontario.

2. The Filer or an affiliate of the Filer acts or will act as the investment fund manager of the Top Fund and the Underlying Fund. The Filer is a registered as an investment fund manager in the Province of Ontario.

3. The principal offices of the Filer, the Top Fund and the Underlying Fund is 330 Bay Street, Suite 1300, Toronto, ON, M5H 2S8.

4. None of the Filer, the Top Fund or Underlying Fund is in default of any of its obligations under

the securities legislation of any of the provinces and territories of Canada.

The Top Fund

5. The Top Fund is a closed-end investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated April 26, 2011. Computershare Trust Company of Canada acts as the trustee of the Top Fund.

6. The Top Fund is a reporting issuer in all of the provinces and territories of Canada.

7. The Top Fund, through exposure to a diversified portfolio comprised of high yield debt and other assets acquired and held by the Underlying Fund, seeks to achieve the following objectives: (i) provide the Top Fund unitholders with attractive, monthly, tax-advantaged distributions and (ii) preserve capital. The Top Fund obtains exposure to North American high yield bonds, and in particular short duration high yield bonds. Under normal circumstances, at least 70% of the fund's total assets are invested in below investment-grade North American debt securities, comprised primarily of U.S. dollar-denominated debt securities. The focus is on short duration high yield bonds with a maximum remaining term to maturity of five years. The holdings of the portfolio are diversified by industry sector, maturity and credit rating.

8. To achieve its investment objective, the Top Fund has entered into a forward agreement, which is a specified derivative as defined in NI 81-102, with The Bank of Nova Scotia (the "**Counterparty**") dated May 20, 2011 (the "**Forward Agreement**"). The return to unitholders of the Top Fund is dependent upon the return on the portfolio held by the Underlying Fund by virtue of the Forward Agreement. Pursuant to the Forward Agreement, the Counterparty has agreed to deliver to the Top Fund on May 20, 2016 (the "**Termination Date**") a portfolio of common shares of Canadian public companies that are "Canadian securities" for the purposes of the *Income Tax Act* with an aggregate value equal to the redemption proceeds of a corresponding number of units of the Underlying Fund, net of any amount owing by the Top Fund to the Counterparty.

9. The Filer is proposing to convert the Top Fund into an exchange traded fund (**ETF**) and change its investment objectives and strategy to align with First Trust Short Duration High Yield Bond ETF (**FHY**) (the **Conversion**) and then merge FHY into the Top Fund (the **Merger**). The Conversion was approved by the unitholders of the Top Fund at a special meeting of unitholders. If the Conversion and Merger are implemented, the Class A units and Class F units of the Top Fund will be redesignated as advisor class units and common units, respectively, and the name of the Top Fund will be changed to First Trust Short Duration High Yield Bond ETF II, as the continuing fund after merging with FHY.

10. In connection with the Conversion:

    (a) the investment objectives and investment strategies of the Top Fund will be changed so that they align with the investment objectives and investment strategies of FHY (while maintaining the Top Fund's forward agreement structure for as long as the Top Fund may derive benefits from it under Canadian tax laws);

    (b) the Filer will remain as manager of the Top Fund and the Underlying Fund and will become the trustee of the Top Fund, replacing Computershare Trust Company of Canada;

    (c) First Trust Advisors L.P. (the "**Portfolio Advisor**") will remain as advisor to the Top Fund and the Underlying Fund, and will manage the High Yield Portfolio (as defined below) instead of continuing the existing sub-advisor relationship with First Western Capital Management Company;

    (d) CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company will assume the roles of custodian and valuation agent of the Top Fund, respectively. They now perform those roles for the other ETFs managed by the Filer;

    (e) Equity Financial Trust Company will assume the role of the registrar and transfer agent, and distribution reinvestment plan agent for the advisor class units and common units of the Top Fund. It now performs these roles for the other ETFs managed by the Filer; and

    (f) the Independent Review Committee of the Top Fund will remain the same.

11. After the Conversion is implemented:

    (a) the Top Fund will be an open-ended mutual fund organized and governed by the laws of a jurisdiction of Canada;

    (b) the Top Fund will be governed by the provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities and the Top Fund will not be a commodity pool

governed by National Instrument 81-104 *Commodity Pools* ("**NI 81-104**");

(c) the investment objective of the Top Fund will be to provide unitholders with a high level of current income by investing primarily in a diversified portfolio of below investment grade debt securities as rated by Moody's Investor Services, Inc., and Standard & Poors (Ba1/BB+ or below) or a similar rating by a designated rating organization (as defined in NI 81-102), and a secondary objective will be to seek capital appreciation;

(d) the Top Fund will no longer employ leverage and will not have a net market exposure greater than 100% of its net asset value;

(e) the Top Fund will distribute, its securities pursuant to a long form prospectus prepared pursuant to NI 41-101 *General Prospectus Requirements* and Form 41-101F2;

(f) the Top Fund proposes to maintain its investment in the Forward Agreement after the Conversion for as long as the Top Fund may derive benefits from it under Canadian tax laws. As a result, the Top Fund will be considered by virtue of the Forward Agreement to be holding securities of the Underlying Fund directly. After May 20, 2016, the Top Fund will no longer employ a forward agreement and will thereafter hold all of its portfolio investments directly;

(g) the exposure by the Top Fund to securities of the Underlying Fund by virtue of the Forward Agreement will be in accordance with the fundamental investment objective of the Top Fund and represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Top Fund; and

(h) the Top Fund may pre-settle the Forward Agreement in whole or in part prior to the Termination Date at any time and from time to time, in order to fund redemptions, distributions, or operating expenses and other liabilities of the Top Fund, and upon any such settlement, the Counterparty to the Forward Agreement will deliver to the Fund common shares of Canadian public companies that are liquid, with an aggregate value equal to the redemption proceeds of a corresponding number of units of the Underlying Fund (net of any amount owing by the Top Fund to the counterparty).

The Underlying Fund

12. The Underlying Fund is an investment fund governed by the laws of the Province of Ontario pursuant to a declaration of trust dated April 26, 2011.

13. The Underlying Fund is a reporting issuer in the Provinces of Ontario and Quebec.

14. The Underlying Fund is not subject to NI 81-102 since it has not offered its securities pursuant to a prospectus, however, the Underlying Fund will comply with the investment restrictions in Part 2 of NI 81-102 applicable to a mutual fund that is subject to NI 81-102.

15. The Underlying Fund's investment objective is to maximize total returns for holders of units while preserving capital. The fund has been established for the purpose of acquiring and holding a diversified, short duration high yield bond portfolio, actively managed by the fund's sub-advisor, comprised primarily of North American high yield debt securities, generally with remaining terms to maturity of five years or less, that are generally rated at or below BB+ by Standard & Poor's, or Ba1 or less by Moody's Investor Services, Inc., or an approved credit rating organization (the "**High Yield Portfolio**").

16. The securities of the Underlying Fund do not constitute index participation units ("**IPUs**").

17. The Underlying Fund does not hold more than 10 percent of its net asset value in securities of any other mutual fund other than the securities of a money market fund or a mutual fund that issues index participation units.

18. The Underlying Fund is not a commodity pool governed by National Instrument 81-104 *Commodity Pools* (**NI 81-104**).

19. The Underlying Fund will not employ leverage.

20. The Underlying Fund will not pay management or incentive fees which to a reasonable person would duplicate a fee payable by the Top Fund for the same service.

Reasons for the Exemption Sought

21. Absent the Exemption Sought, the Top Fund would be prohibited by subsection 2.1(1) of NI 81-102 from indirectly investing more than 10 percent of its NAV in the securities of the Underlying Fund through the Forward Agreement. The Exemption Sought would only grant the Top Fund relief from the Concentration Restriction in respect of the Top

Fund's direct or indirect holdings of securities issued by the Underlying Fund. The Exemption Sought would not relieve the Top Fund from the obligation to comply with the Concentration Restriction in respect of the Top Fund's indirect holdings in securities held by the Underlying Fund and the Top Fund will comply with the Concentration Restriction in respect of the Top Fund's indirect holdings in securities held by the Underlying Fund and apply sections 2.1(3) and (4) of NI 81-102.

22. Absent the Exemption Sought, an investment by the Top Fund in the Underlying Fund indirectly through the Forward Agreement, would be prohibited by paragraph 2.5(2)(a) of NI 81-102 because the Underlying Fund does not and will not have offered securities under a simplified prospectus in accordance with NI 81-101 Mutual Funds Prospectus Disclosure as contemplated by section 2.5(2)(a) of NI 81-102.

23. An investment by the Top Fund in the Underlying Fund would not qualify for the exemption in paragraph 2.5(3)(a) of NI 81-102 from paragraph 2.5(2)(a) of NI 81-102 because the Underlying Fund does not issue IPUs.

24. The Underlying Fund will comply with section 2.3 of NI 81-102 regarding the purchase of physical commodities, sections 2.7 and 2.8 of NI 81-102 regarding the purchase, sale or use of specified derivatives, and sections 2.6(a) and (b) of NI 81-102 with respect to the use of leverage.

Decision

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

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

(a) in connection with the relief from subsection 2.1(1) under this decision allowing the Top Fund to invest more than 10% of its net asset value in the securities of the Underlying Fund, the Top Fund shall, for each investment it makes in securities of the Underlying Fund, apply subsections 2.1(3) and 2.1(4) of NI 81-102 as if those provisions applied to the Top Fund's investments in securities of the Underlying Fund, and accordingly limit the Top Fund's indirect holdings in securities of an issuer held by the Underlying Fund to no more than 10% of the Top Fund's net asset value;

(b) the Underlying Fund will comply with Part 2 of NI 81-102

(c) each of the Top Fund and Underlying Fund is not a commodity pool governed by NI-81-104 and neither the Top Fund nor the Underlying Fund will use leverage;

(d) the Top Fund will not short sell securities of the Underlying Fund;

(e) the prospectus of the Top Fund discloses, or will disclose the next time it is renewed after the date of this decision, the fact that the Top Funds have obtained the Exemption Sought to permit the relevant transactions on the terms described in this decision; and

(f) the Exemption Sought will expire as of May 20, 2016.

"Darren Mckall"
Manager
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.4 Catamaran Corporation

Headnote

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

Applicable Legislative Provisions

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

September 9, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND AND
NEWFOUNDLAND & LABRADOR
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
CATAMARAN CORPORATION
(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**) that the Filer is not a reporting issuer in the Jurisdictions (the **Exemptive Relief Sought**).

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

(a) the Ontario Securities Commission is the principal regulator for this application; 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* 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 exists under the *Business Corporations Act* (Yukon) and has its head office in Schaumburg, Illinois, USA.

2. The Filer is a reporting issuer in each of the Jurisdictions.

3. As a result of a statutory plan of arrangement completed on July 23, 2015 (the **Arrangement**), 1031387 B.C. Unlimited Liability Company, a wholly-owned subsidiary of UnitedHealth Group Incorporated (**UHG**), is now the owner of all of the issued and outstanding shares of the Filer. The Filer has no other outstanding securities, including debt securities.

4. Immediately prior to the completion of the Arrangement, the Filer had 208,031,847 common shares and US$500,000,000 principal amount of 4.75% Senior Notes due 2021 (the **Senior Notes**) issued and outstanding.

5. Pursuant to the Arrangement, each holder of common shares of the Filer immediately prior to completion of the Arrangement received an amount in cash equal to US$61.50 per common share, without interest and less applicable withholding taxes.

6. On July 23, 2015, following completion of the Arrangement, the indenture governing the Senior Notes was satisfied and discharged in accordance with its terms, including by the Filer irrevocably depositing the funds necessary to satisfy the Senior Notes with the trustee thereof.

7. On August 23, 2015, the Senior Notes were redeemed by the trustee in accordance with their terms.

8. The Filer's common shares were delisted from the Toronto Stock Exchange on July 27, 2015 and from the Nasdaq Stock Market on August 3, 2015.

9. The British Columbia Securities Commission granted the Filer non-reporting status in British Columbia effective August 17, 2015 pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.

10. No securities of the Filer are traded 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.

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

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

13. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for the obligation to file its interim financial statements and related management's discussion and analysis for the period ended June 30, 2015, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statements and management's discussion and analysis, as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on August 14, 2015.

14. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is in default of its obligation to file the Filings.

15. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer.

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.

"Tim Moseley"
Ontario Securities Commission

"Christopher Portner"
Ontario Securities Commission

2.1.5 Cline Mining Corporation

Headnote

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

Applicable Legislative Provisions

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

September 8, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, MANITOBA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA, PRINCE EDWARD ISLAND, QUEBEC AND SASKATCHEWAN
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
CLINE MINING CORPORATION
(THE FILER)

DECISION

Background

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

Under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a coordinated review application):

(a) the Ontario Securities Commission is the principal regulator for this application; 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 Interpretation have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of British Columbia. The head and registered offices of the Filer are located at 161 Bay Street, 27th Floor, Toronto, Ontario, M5J 2S1.

2. The Filer is a reporting issuer in each of the Jurisdictions.

3. Commencing December 2011, the Filer entered into various debt financing agreements with Marret Asset Management Inc. (**Marret**). During 2013 and 2014, the Filer and Marret agreed to restructure the existing debt pursuant to debt financings of senior secured bonds and senior secured convertible bonds totaling approximately $80 million (plus accrued interest) (collectively, the **Marret Notes**).

4. On December 3, 2014, the Filer proposed a recapitalization transaction with Marret (the **Recapitalization Plan**) to be implemented through a court supervised process. Pursuant to the Recapitalization Plan, the Filer underwent bankruptcy proceedings under an order from the Ontario Superior Court of Justice (the **Court**) issued pursuant to the *Companies' Creditors Arrangement Act*. Following unanimous approval of the plan by the Filer's creditors, the Court approved and sanctioned the Recapitalization Plan, which was given full force and effect on January 28, 2015. The certificate of implementation in respect of the Recapitalization Plan was issued on July 8, 2015.

5. As a result of the Recapitalization Plan, the previously existing common shares of the Filer (the **Old Filer Shares**) were cancelled and new common shares (the **New Filer Shares**) were issued to the holders of Marrett Notes.

6. All of the New Filer Shares and Marret Notes are owned by 13 beneficial holders. The Marret Notes continue to be outstanding, but their aggregate amount was reduced to $55 million.

7. The outstanding securities of the Filer, including debt securities, are now beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.

8. The Old Filer Shares were delisted from the Toronto Stock Exchange at the close of business on June 21, 2013. As of July 31, 2015, the Old Filer's Shares are no longer traded on the OTCPink. As of the date of this application, none of the Filer's securities, including debt securities, are traded in Canada, or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

9. The Filer has applied for a decision that it is not a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer.

10. The Filer filed a Notice of Voluntary Surrender of Reporting Issuer Status with the British Columbia Securities Commission (the **BCSC**) under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* stating that it will cease to be a reporting issuer in British Columbia. The BCSC has confirmed that non-reporting status was effective on July 20, 2015.

11. The Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation to file its quarterly financial statements for the period ended May 31, 2015 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102, *Continuous Disclosure Obligations* and the related certification of such financial statements as required under Multilateral Instrument 52-109 – *Certification of Disclosure in Filers' Annual and Interim Filings*, all of which became due on July 30, 2015 (the **Filings**).

12. The simplified procedure under the Canadian Securities Administrators' Staff Notice 12-307 *Application for a Decision that an Issuer is not a Reporting Issuer* is not available to the Filer, as it is in default for failure to file the Filings.

13. The Filer has no intention to access the capital markets in the future by issuing any further securities to the public, and has no intention to issue any securities other than to Marret or its affiliates.

14. The Filer is not required to remain a reporting issuer in the Jurisdictions under any contractual arrangement between the Filer and the holders of the New Filer Shares.

15. The Filer has no intention to seek public financing by way of an offering of securities.

16. Upon granting of the Exemptive Relief Sought, the Filer 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 contained 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.

"T. Moseley"
Commissioner
Ontario Securities Commission

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

2.1.6 Sun Life Global Investments (Canada) Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from requirements contained in paragraphs 2.5(2)(a), (b) and (c) of National Instrument NI 81-102 Investment Funds to permit mutual funds to invest up to 10% of each net asset value in securities of EU qualified mutual funds governed by the laws of Ireland that are managed by an affiliated manager – Each underlying mutual fund invests substantially all of its assets in a mutual fund formed in Mauritius – Relief subject to certain conditions – Top funds are required to divest holdings of underlying funds if laws applicable to underlying funds cease to be materially consistent with NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a), (b) and (c), 19.1.

September 10, 2015

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

AND

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

AND

IN THE MATTER OF
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.
(the Filer)

AND

IN THE MATTER OF
SUN LIFE MANAGED CONSERVATIVE PORTFOLIO,
SUN LIFE MANAGED MODERATE PORTFOLIO,
SUN LIFE MANAGED BALANCED PORTFOLIO,
SUN LIFE MANAGED BALANCED GROWTH PORTFOLIO,
SUN LIFE MANAGED GROWTH PORTFOLIO,
SUN LIFE MANAGED INCOME PORTFOLIO AND
SUN LIFE MANAGED ENHANCED INCOME PORTFOLIO
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds and such other funds managed by the Filer that have investment objectives and strategies that contemplate exposure to Indian securities (each, a **Top Fund** and collectively, the **Top Funds**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Top Funds from paragraphs 2.5(2)(a), 2.5(2)(b) and 2.5(2)(c) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit each Top Fund to invest up to 10 percent of its net assets, taken at market value at the time of the investment, in aggregate, in securities of a sub-fund of ABSL Umbrella UCITS Fund PLC (the **ABSL UCITS**) that has adopted an investment policy of obtaining exposure to the Indian market (each, an **Underlying Fund** and collectively, the **Underlying Funds**) (the **Exemption Sought**).

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

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

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

Interpretation

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

Birla Sun Life means Birla Sun Life Asset Management Company Limited.

Central Bank means the Central Bank of Ireland or any successor regulator thereto.

EU means the European Union, whose member states currently include Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

EU Directives means EU Council Directive 2009/65/EC of 13 July 2009 on the Coordination of Laws, Regulations and Administrative Provisions relating to UCITS, as amended, as implemented into Irish legislation by the Regulations.

FPI means foreign portfolio investor.

Investment Manager means Aditya Birla Sun Life Asset Management Pte. Ltd.

KIIDs means key investor information documents.

Mauritius Subsidiaries means India Frontline Equity and India Quality Advantage, each of which is a Mauritius private company and any other such company through which an Underlying Fund obtains exposure to the Indian market.

Regulations means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and every regulation or other provision of law modifying or extending them.

SEBI means the Securities and Exchange Board of India.

Top Funds means Sun Life Managed Conservative Portfolio, Sun Life Managed Moderate Portfolio, Sun Life Managed Balanced Portfolio, Sun Life Managed Balanced Growth Portfolio, Sun Life Managed Growth Portfolio, Sun Life Managed Income Portfolio and Sun Life Managed Enhanced Income Portfolio, and other mutual funds managed by the Filer from time to time.

UCITS means an undertaking for collective investment in transferable securities, as more fully defined in the Regulations, and refers to an investment fund authorized by the Central Bank pursuant to the Regulations and which is suitable for distribution throughout the EU.

UCITS Notices means the series of UCITS notices, memorandums, guidelines and letters issued by the Central Bank.

Representations

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

1. The Filer is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.

2. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec and Newfoundland and Labrador; (ii) a portfolio manager in Ontario; (iii) a mutual fund dealer in each of the Jurisdictions; and (iv) a commodity trading manager in Ontario.

3. The Filer acts or will act as the manager and portfolio manager of the Top Funds.

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

5. Each of the Top Funds is or will be an open-end mutual fund trust established under the laws of the province of Ontario or a province or territory of Canada or a class of a corporation established under the laws of Canada or a province or territory of Canada.

6. Each of the Top Funds is or will be a reporting issuer in one or more of the Jurisdictions and subject to NI 81-102, subject to any relief therefrom granted by applicable securities regulatory authorities.

7. The securities of the Top Funds are qualified for distribution pursuant to a simplified prospectus, annual information form and Fund Facts that were prepared and filed in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**).

8. The investment objectives of the Top Funds include or will include, to various degrees, seeking capital appreciation and income through investments in equity and fixed income securities (or in mutual funds and/or ETFs that invest in such equity or fixed income securities) across various asset classes, industry sectors, investment styles and geography. The Indian market includes many quality issuers that the Filer, as portfolio manager of the Top Funds, has identified as investments that provide such diversification and exposure opportunities.

9. Some or all of the Top Funds use or will use a "fund on fund" structure in allocating their assets among underlying funds in order to diversify by asset class, industry sector, investment style, and geography with the objective of matching certain investment goals and risk tolerance levels. The investment strategies of the Top Funds contemplate or will contemplate that each may invest a portion of its assets in foreign securities, which the Top Funds do or will do by investing in underlying funds that include in their mandate the ability to seek foreign market exposures.

10. To achieve the Top Funds' investment objectives, the Filer has determined that it would be in the best interests of each Top Fund if it had the ability to invest up to 10% of its net asset value in securities of the Underlying Funds, in order to gain exposure to the Indian market, instead of investing directly in Indian securities.

The ABSL UCITS and the Underlying Funds

11. The ABSL UCITS is an open-ended investment company governed by the laws of Ireland and is regulated by the Central Bank. The ABSL UCITS complies with the EU Directives.

12. Securities of the ABSL UCITS, including securities of the Underlying Funds, are distributed in certain European countries pursuant to the EU Directives. The ABSL UCITS has issued a prospectus which contains disclosure pertaining to it and the Underlying Funds.

13. The promoter of the ABSL UCITS is Birla Sun Life, a joint venture between Aditya Birla Group and Sun Life (India) AMC Investments Inc. Aditya Birla Group owns 51%, and Sun Life (India) AMC Investments Inc. owns 49%, of Birla Sun Life, respectively. Birla Sun Life is an associate of the Filer and Sun Life (India) AMC Investments Inc. is an affiliate of the Filer. Each of them is part of the Sun Life Financial group of companies.

14. The Investment Manager is a Singapore limited company and a wholly owned subsidiary of Birla Sun Life. The Investment Manager acts as investment manager of the Underlying Funds and directs the investments of the Mauritius Subsidiaries. The Investment Manager is a member of the Sun Life Financial group of companies and is an associate of the Filer. The Investment Manager is regulated by the Monetary Authority of Singapore and holds a Capital Markets Services license for fund management.

15. The investment objective of the ABSL UCITS is to invest in accordance with the investment objectives and policies of the various sub-funds, including the Underlying Funds, that are operated under the "umbrella" of the ABSL UCITS. Each sub-fund, including the Underlying Funds, will invest in accordance with the investment objectives and policies set out in separate supplements to the ABSL UCITS' prospectus.

16. Currently, the only sub-funds of the ABSL UCITS are the Underlying Funds, being India Frontline Equity Fund and India Quality Advantage Fund.

17. The investment objective of India Frontline Equity Fund is to generate long-term growth of capital. The investment strategies of this Underlying Fund disclose that it seeks to invest its assets in India through investments in its respective Mauritius Subsidiary, whose policy is in turn to invest in equities and equity-related instruments issued by companies that are incorporated in India, are owned by Indian promoters or which have significant operations in India.

18. The investment objective of India Quality Advantage Fund is to generate superior risk-adjusted returns. The investment strategies of this Underlying Fund disclose that it seeks to invest its assets in India through investment in its respective Mauritius Subsidiary, whose policy is in turn to invest in equities and equity-related instruments that exhibit consistent high-quality growth and which are issued by companies that are incorporated in India or are owned by Indian promoters or which have significant operations in India.

19. Each Underlying Fund and its respective Mauritius Subsidiary will have substantially similar names.

20. The ABSL UCITS and its sub-funds, including the Underlying Funds, are subject to investment restrictions and practices under the laws of the European Union that are applicable to mutual funds that are sold to the general public and that are consistent with similar restrictions and practices applicable to mutual funds under NI 81-102. The Underlying Funds are not generally considered to be hedge funds.

Mauritius Subsidiaries

21. The Mauritius Subsidiaries are, or will be, incorporated under the laws of, and are resident in, Mauritius. India Frontline Equity (registration number 121982 C1/GBL) and India Quality Advantage (registration number 121981 C1/GBL) were both incorporated on April 1, 2014.

22. The Director General of the Mauritius Revenue Authority issued a certificate of Mauritian tax residence under the Mauritius – India Double Taxation Agreement to India Frontline Equity on April 23, 2015 and to India Quality Advantage on April 22, 2015.

23. The assets of the Mauritius Subsidiaries are or will be invested in American Depositary Receipts, Global Depositary Receipts and in listed and unlisted Indian securities, including non-publicly offered debt securities. Listed Indian securities may be listed on any of the recognized Indian stock exchanges, including the National Stock Exchange.

24. Each of the Mauritius Subsidiaries (a) has or will have a primary purpose to invest money provided by its securityholders; and (b) has or will have securities that entitle its securityholders to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in net assets of the respective Mauritius Subsidiary. Accordingly, each of the Mauritius Subsidiaries is or will be a mutual fund within the meaning of Canadian securities legislation and therefore considered to be an investment fund in Canada.

Rationale

25. At the time of this decision, each Underlying Fund holds substantially all of its net assets in securities of its relevant Mauritius Subsidiary. In the future, each Underlying Fund may invest directly in the Indian market, instead of investing in securities of its relevant Mauritius Subsidiary to obtain exposure to the Indian market.

26. Section 2.5(2) of NI 81-102 would permit the Top Funds to invest in the Underlying Funds but for the fact that the Underlying Funds (i) are not subject to NI 81-102, (ii) do not distribute their securities in Canada under a simplified prospectus in accordance with NI 81-101, (iii) do not invest more than 10% of their net asset value in securities of other investment funds and (iv) are not reporting issuers in any province or territory of Canada.

27. The Filer believes that it is in the best interests of the Top Funds to be permitted to invest up to 10% of their net assets in the Underlying Funds as such investment will allow the Top Funds to gain exposure to the Indian market in an economically viable way. Investing in the Underlying Funds would enable the Top Funds to better capitalize on global economic trends and respond to market conditions.

28. In particular, the Underlying Funds provide the Top Funds with exposure to Indian securities. Investments into India by an entity located outside of India are generally restricted to foreign institutional investors who are licensed under the foreign portfolio investment regime, which is regulated by SEBI and the Reserve Bank of India. FPI status (formerly, Foreign Institutional Investor status) is only obtained through a lengthy administrative review process. The Mauritius Subsidiaries are each registered and certified as Category III FPIs. Category III FPIs include endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.

29. There are significant tax and investment restrictions imposed by Indian regulatory authorities applicable to foreign investors like a Canadian mutual fund. For FPIs intending to trade in Indian securities, Mauritius provides a minimal cost alternative when compared to other jurisdictions. Investing in Indian securities through Mauritius is favourable as compared to directly investing in India from jurisdictions such as Canada, since a Mauritius domiciled fund or company can avail itself of the benefits of the Double Taxation Avoidance Agreement between India and Mauritius. According to article 13 of the India-Mauritius Tax Treaty, capital gains earned by a Mauritian resident on the transfer of Indian securities are taxable only in Mauritius. Further, Mauritius does not tax capital gains under its domestic tax laws. Hence, capital gains earned by a Mauritius resident (such as the Mauritius Subsidiaries) on the sale of shares of an Indian company would not be liable to tax either in India or in Mauritius.

30. Due to these considerable cost savings, and in order to achieve their respective investment objectives, the Top Funds seek to obtain exposure to Indian securities through investing in the Underlying Funds, each of which in turn invests in its relevant Mauritius Subsidiary. The Mauritius Subsidiaries qualify as FPIs.

31. The investment strategies of each Top Fund, which contemplate or will contemplate investment in securities of underlying funds that invest in American Depositary Receipts, Global Depositary Receipts and foreign securities, permit or will permit the allocation of assets to Indian securities. As economic conditions change, the Top Funds may reallocate assets, including on the basis of industrial sector or geographic region. Each Top Fund has or will have investment objectives consistent with permitting such Top Fund to gain exposure to the Indian market.

32. Each Mauritius Subsidiary was or will be created to facilitate its respective Underlying Fund's investments in Indian securities. Such passive fund structures are efficient and commonly used structures for facilitating investments into India. For this reason, the passive two-tiered investment structure of each Underlying Fund should be treated collectively as a single mutual fund for purposes of the Top Funds' proposed investment in the Underlying Funds as described herein.

33. The Mauritius Subsidiaries were or will be created to serve solely as investment conduits for the Underlying Funds for the purposes of obtaining exposure to India's capital market on a more tax efficient basis. By investing in the Mauritius Subsidiaries, withholding tax on short-term capital gains and long-term capital gains are effectively lowered to nil for the Underlying Funds. Capital gains tax rates in India vary from 15% to 30% depending upon the nature of the securities and period of holding.

34. The Top Funds will otherwise comply fully with section 2.5 of NI 81-102 in their investment in the Underlying Funds and will provide all disclosure mandated for mutual funds investing in other mutual funds. In particular, additional disclosure will be made in the simplified prospectus of each Top Fund that the Underlying Funds are not subject to Canadian securities regulation.

35. The ABSL UCITS qualifies as a UCITS and its securities are distributed in accordance with the Regulations, which subject the Underlying Funds to the following investment restrictions and practices that are substantially similar to NI 81-102:

    (a) The ABSL UCITS is subject to a robust risk management framework through the prescribed UCITS Notices on governance, risk, regulation of service providers and the safekeeping of assets.

    (b) Each Underlying Fund is subject to investment restrictions designed to limit its holdings of illiquid securities to 10% or less of its net asset value.

    (c) Each Underlying Fund does not intend to use derivatives but if it commenced the use of derivatives, any such use:

        (1) would be subject to the oversight of, and require prior approval from, the Central Bank;

        (2) would be subject to restrictions concerning the use of derivatives as set out in the UCITS Notices and the Regulations, including the types of derivatives in which it may transact, limits on counterparty risk and limits on increases to overall market risk resulting from the use of derivatives; and

        (3) would need to design, implement and document a comprehensive risk management process in order to meet the key requirement of investor protection, as set out in the UCITS Notices and the Regulations. The risk management process would enable it to accurately manage, monitor and measure the risks attached to derivative positions.

    (d) The ABSL UCITS is required to prepare a prospectus that discloses material facts about the Underlying Funds and that is similar to the disclosure required to be included in a simplified prospectus of a Top Fund pursuant to NI 81-101.

    (e) The ABSL UCITS prepares KIIDs for the Underlying Funds which provide disclosure that is substantially similar to that required to be included in a fund facts document prepared under NI 81-101. The ABSL UCITS is obligated to update its KIIDs at least annually.

    (f) The ABSL UCITS is subject to continuous disclosure obligations which are similar to the disclosure obligations under NI 81-106.

    (g) The ABSL UCITS is required to update the prospectus and the supplements to the prospectus to reflect any information changes therein. All updates must be submitted to the Central Bank in advance for review and prior approval.

(h) Any change in the investment objective or material change to the investment policy of an Underlying Fund will only be effected following the written approval of all shareholders of the Underlying Fund or a resolution of a majority of the voting shareholders of that Underlying Fund at a general meeting.

(i) The Investment Manager is subject to an Investment Management Agreement which sets out a duty of care and a standard of care requiring the Investment Manager to act in the best interest of shareholders and in the best interest of the assets it manages.

(j) All activities of the Investment Manager must be conducted at all times in accordance with the Regulations, the UCITS Notices and the investment policy of the Underlying Funds and are at all times subject to the supervision of the board of directors of the ABSL UCITS.

(k) The Investment Manager is required to prepare quarterly investment management reports on behalf of the ABSL UCITS and the Underlying Funds.

(l) The Investment Manager is (a) registered with SEBI as a Foreign Institutional Investor under SEBI (Foreign Institutional Investors) Regulations, 1995, bearing registration number INSGFD262611 dated June 7, 2011 under the category of an investment manager, and (b) also registered with the Monetary Authority of Singapore pursuant to the *Securities and Futures Act* as a capital markets services licence holder licensed to conduct the regulated activity of fund management. The Investment Manager has also been approved by the Central Bank to act as an investment manager to Irish authorized collective investment schemes.

(m) Ernst & Young LLP, as auditors of the ABSL UCITS, are required to prepare an audited set of accounts for the ABSL UCITS at least annually.

36. The Filer believes that, without the Exemption Sought, the Top Funds would not have the ability to access the Indian market in a cost effective manner.

Decision

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

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

(a) The ABSL UCITS qualifies as a UCITS and the securities of the Underlying Funds are distributed in accordance with the EU Directives, which subject the Underlying Funds to investment restrictions and practices that are substantially similar to those that govern the Top Funds;

(b) The investment of the Top Funds in the Underlying Funds otherwise complies with section 2.5 of NI 81-102 and the Top Funds will provide the disclosure required for fund-of-fund investments in NI 81-101. Specifically, the investment by the Top Funds in the Underlying Funds will be disclosed in the simplified prospectus of the Top Funds;

(c) A Top Fund will not purchase securities of an Underlying Fund if, immediately after the purchase, more than 10 per cent of its net asset value would consist of investments in the Underlying Funds;

(d) During any period of time when an Underlying Fund obtains exposure to the Indian market through investing in a Mauritius Subsidiary, that Underlying Fund invests all or substantially all of its assets in securities of its respective Mauritius Subsidiary; and

(e) The Top Funds dispose of the securities of an Underlying Fund, in an orderly and prudent manner, if that Underlying Fund is no longer subject to investment restrictions and practices that are substantially similar to the investment restrictions and practices contained in Part 2 of NI 81-102.

(f) The Top Funds dispose of the securities of an Underlying Fund, in an orderly and prudent manner, if the investments of the Mauritius Subsidiary in which the Underlying Fund invests would be prohibited investments for the Underlying Fund to make directly.

"Raymond Chan"
Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.7 Counsel Portfolio Services Inc.

Headnote

National Policy 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 U.S. and European requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1) and (4), 6.8(1), 19.1.

September 11, 2015

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

AND

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

AND

IN THE MATTER OF
COUNSEL PORTFOLIO SERVICES INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting each Existing Counsel Fund (as defined below) and all current and future mutual funds managed by the Filer that enter into Swaps (as defined below) in the future (each, a **Future Counsel Fund** and, together with the Existing Counsel Funds, each, a **Counsel Fund** and, collectively, the **Counsel Funds**):

(i) from the requirement in subsection 2.7(1) of NI 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 NI 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 settles transactions made on a futures exchange listed in Appendix A to NI 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 NI 81-102 to hold all portfolio assets of an investment fund under the custodianship of one custodian in order to permit each Counsel Fund to deposit cash and other portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (the **Requested Relief**).

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

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

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

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

CFTC means the U.S. Commodity Futures Trading Commission

Clearing Corporation means any clearing organization registered with the CFTC or central counterparty authorized by ESMA, as the case may be, that, in either case, is also permitted to operate in the Jurisdiction or the Other Jurisdiction, as the case may be, where the Counsel Fund is located

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

EMIR means the European Market Infrastructure Regulation

ESMA means the European Securities and Markets Authority

European Economic Area means all of the European Union countries and also Iceland, Liechtenstein and Norway

Existing Counsel Fund means each mutual fund managed by the Filer that is relying on the Previous Relief on the date of this decision

Futures Commission Merchant means any futures commission merchant that is registered with the CFTC and/or clearing member for purposes of EMIR, as applicable, and is a member of a Clearing Corporation

OTC means over-the-counter

Portfolio Advisor means each of the Filer and each affiliate of the Filer and each third party portfolio manager retained from time to time by the Filer to manage the investment portfolio of one or more Counsel Funds

Swaps means the swaps that are, or will become, subject to a clearing determination or a clearing obligation issued by the CFTC or ESMA, as the case may be, 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:

The Filer and the Counsel Funds

1. The Filer is, or will be, the investment fund manager of each Counsel Fund. The Filer is registered as an investment fund manager and a portfolio manager in the Province of Ontario. The Filer is also registered as an investment fund manager in the Provinces of Quebec and Newfoundland and Labrador. The head office of the Filer is in Mississauga, Ontario.

2. The Filer is, or will be, the portfolio manager to the Counsel Funds. Either an affiliate of the Filer or a third party portfolio manager is, or will be, the sub-advisor to certain of the Counsel Funds.

3. Each Counsel Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102.

4. Neither the Filer nor the Counsel Funds are, or will be, in default of securities legislation in any Jurisdiction.

5. The securities of each Counsel Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, each Counsel Fund is, or will be, a reporting issuer or the equivalent in each Jurisdiction.

The Previous Cleared Swaps Relief

6. In a decision document dated November 11, 2013, the Counsel Funds were granted relief from the requirements in subsections 2.7(1), 2.7(4) and 6.1(1) to permit the Counsel Funds to enter into cleared swaps that are, or will be, subject to a clearing determination issued by the CFTC (the **Previous Relief**). The Previous Relief, in accordance with its terms, terminates on November 11, 2015.

7. The Filer is seeking the Requested Relief in this new decision to extend the term of the Previous Relief and to vary the Previous Relief by permitting the Counsel Funds to also enter into cleared swaps that become subject to a clearing obligation under EMIR.

Cleared Swaps

8. The investment objective and investment strategies of each Counsel Fund permit, or will permit, the Counsel Fund to enter into derivative transactions, including Swaps. Each Portfolio Advisor for the Existing Counsel Funds considers Swaps to be an important investment tool that is available to it to properly manage the portion of each Counsel Fund's portfolio managed by it.

9. Dodd-Frank requires that certain 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, that Swap must be cleared.

10. EMIR also requires that certain OTC derivatives be cleared through a central counterparty authorized to provide clearing services for purposes of EMIR. Generally, where one party to a Swap is a financial counterparty or a non-financial counterparty whose OTC derivative trading activity exceeds a certain threshold, in each case established in a state that is a participant in the European Economic Area, that Swap will be required to be cleared. The first clearing directive has been issued in respect of certain interest rate swaps and will be phased-in based on the category of both parties to the trade.

11. In order to benefit from both the pricing benefits and reduced trading costs that a Portfolio Advisor may be able to achieve through its trade execution practices for its advised investments funds and other accounts and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filer wishes to have the Counsel Funds enter into cleared Swaps.

12. In the absence of the Requested Relief, each Portfolio Advisor will need to structure the Swaps entered into by the Counsel Funds so as to avoid the clearing requirements of the CFTC and under EMIR, as applicable. The Filer respectfully submits that this would not be in the best interest of the Counsel Funds and their investors for a number of reasons, as set out below.

13. The Filer strongly believes that it is in the best interests of the Counsel Funds and their investors to continue to be able to execute OTC derivatives with global counterparties, including U.S. and European swap dealers.

14. In its role as a fiduciary for the Counsel Funds, the Filer has determined that central clearing represents the best choice for the investors in the Counsel Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

15. Each Portfolio Advisor may use the same trade execution practices for all of its advised funds and other accounts, including the Counsel Funds. An example of these trade execution practices is block trading, where 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 Advisor. These practices include the use of cleared Swaps. If the Counsel Funds are unable to employ these trade execution practices, then each affected Portfolio Advisor will have to create separate trade execution practices only for the Counsel Funds and will have to execute trades for the Counsel Funds on a separate basis. This will increase the operational risk for the Counsel Funds, as separate execution procedures will need to be established and followed only for the Counsel Funds. In addition, the Counsel Funds will no longer be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Advisor 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.

16. 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 Counsel Funds. The Filer respectfully submits that the Counsel Funds should be encouraged to comply with the robust clearing requirements established by the CFTC and under EMIR by granting them the Requested Relief.

17. The Requested Relief is analogous to the treatment currently afforded under NI 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.

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

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that when any rules applicable to customer clearing of OTC derivatives enter into force, the Clearing Corporation is permitted to offer customer clearing of OTC derivatives in the Jurisdiction or the Other Jurisdiction, as the case may be, where the Counsel Fund is located and provided further that, in respect of the deposit of cash and other 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, exceed 10 percent of the net asset value of the Counsel 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, exceed 10 percent of the net asset value of the Counsel Fund as at the time of deposit.

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

“Darren McKall”
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.8 Mackenzie Financial Corporation

Headnote

National Policy 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 U.S. and European requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1) and (4), 6.8(1), 19.1.

September 11, 2015

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

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting each Existing MFC Fund (as defined below) and all current and future mutual funds managed by the Filer that enter into Swaps (as defined below) in the future (each, a **Future MFC Fund** and, together with the Existing MFC Funds, each, a **MFC Fund** and, collectively, the **MFC Funds**):

(i) from the requirement in subsection 2.7(1) of NI 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 NI 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 settles transactions made on a futures exchange listed in Appendix A to NI 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 NI 81-102 to hold all portfolio assets of an investment fund under the custodianship of one custodian in order to permit each MFC Fund to deposit cash and other portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (the **Requested Relief**).

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

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

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

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

CFTC means the U.S. Commodity Futures Trading Commission

Clearing Corporation means any clearing organization registered with the CFTC or central counterparty authorized by ESMA, as the case may be, that, in either case, is also permitted to operate in the Jurisdiction or the Other Jurisdiction, as the case may be, where the MFC Fund is located

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

EMIR means the European Market Infrastructure Regulation

ESMA means the European Securities and Markets Authority

European Economic Area means all of the European Union countries and also Iceland, Liechtenstein and Norway

Existing MFC Fund means each mutual fund managed by the Filer that is relying on the Previous Relief on the date of this decision

Futures Commission Merchant means any futures commission merchant that is registered with the CFTC and/or clearing member for purposes of EMIR, as applicable, and is a member of a Clearing Corporation

OTC means over-the-counter

Portfolio Advisor means each of the Filer and each affiliate of the Filer and each third party portfolio manager retained from time to time by the Filer to manage the investment portfolio of one or more MFC Funds

Swaps means the swaps that are, or will become, subject to a clearing determination or a clearing obligation issued by the CFTC or ESMA, as the case may be, 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:

The Filer and the MFC Funds

1. The Filer is, or will be, the investment fund manager of each MFC Fund. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in the Province of Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in all other Canadian provinces and territories and as an investment fund manager in the Provinces of Newfoundland and Labrador and Quebec. The head office of the Filer is in Toronto, Ontario.

2. The Filer is, or will be, the portfolio manager to the MFC Funds. Either an affiliate of the Filer or a third party portfolio manager is, or will be, the sub-advisor to certain of the MFC Funds.

3. Each MFC Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102.

4. Neither the Filer nor the MFC Funds are, or will be, in default of securities legislation in any Jurisdiction.

5. The securities of each MFC Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, each MFC Fund is, or will be, a reporting issuer or the equivalent in each Jurisdiction.

The Previous Cleared Swaps Relief

6. In a decision document dated September 18, 2013, the MFC Funds were granted relief from the requirements in subsections 2.7(1), 2.7(4) and 6.1(1) to permit the MFC Funds to enter into cleared swaps that are, or will be, subject to a clearing determination issued by the CFTC (the **Previous Relief**). The Previous Relief, in accordance with its terms, terminates on September 18, 2015.

7. The Filer is seeking the Requested Relief in this new decision to extend the term of the Previous Relief and to vary the Previous Relief by permitting the MFC Funds to also enter into cleared swaps that become subject to a clearing obligation under EMIR.

Cleared Swaps

8. The investment objective and investment strategies of each MFC Fund permit, or will permit, the MFC Fund to enter into derivative transactions, including Swaps. Each Portfolio Advisor for the Existing MFC Funds considers Swaps to be an important investment tool that is available to it to properly manage each MFC Fund's portfolio.

9. Dodd-Frank requires that certain 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, that Swap must be cleared.

10. EMIR also requires that certain OTC derivatives be cleared through a central counterparty authorized to provide clearing services for purposes of EMIR. Generally, where one party to a Swap is a financial counterparty or a non-financial counterparty whose OTC derivative trading activity exceeds a certain threshold, in each case established in a state that is a participant in the European Economic Area, that Swap will be required to be cleared. The first clearing directive has been issued in respect of certain interest rate swaps and will be phased-in based on the category of both parties to the trade.

11. In order to benefit from both the pricing benefits and reduced trading costs that a Portfolio Advisor may be able to achieve through its trade execution practices for its advised investments funds and other accounts and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filer wishes to have the MFC Funds enter into cleared Swaps.

12. In the absence of the Requested Relief, each Portfolio Advisor will need to structure the Swaps entered into by the MFC Funds so as to avoid the clearing requirements of the CFTC and under EMIR, as applicable. The Filer respectfully submits that this would not be in the best interest of the MFC Funds and their investors for a number of reasons, as set out below.

13. The Filer strongly believes that it is in the best interests of the MFC Funds and their investors to continue to be able to execute OTC derivatives with global counterparties, including U.S. and European swap dealers.

14. In its role as a fiduciary for the MFC Funds, the Filer has determined that central clearing represents the best choice for the investors in the MFC Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

15. Each Portfolio Advisor may use the same trade execution practices for all of its advised funds and other accounts, including the MFC Funds. An example of these trade execution practices is block trading, where 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 Advisor. These practices include the use of cleared Swaps. If the MFC Funds are unable to employ these trade execution practices, then each affected Portfolio Advisor will have to create separate trade execution practices only for the MFC Funds and will have to execute trades for the MFC Funds on a separate basis. This will increase the operational risk for the MFC Funds, as separate execution procedures will need to be established and followed only for the MFC Funds. In addition, the MFC Funds will no longer be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Advisor 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.

16. 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 MFC Funds. The Filer respectfully submits that the MFC Funds should be encouraged to comply with the robust clearing requirements established by the CFTC and under EMIR by granting them the Requested Relief.

17. The Requested Relief is analogous to the treatment currently afforded under NI 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.

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

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that when any rules applicable to customer clearing of OTC derivatives enter into force, the Clearing Corporation is permitted to offer customer clearing of OTC derivatives in the Jurisdiction or the Other Jurisdiction, as the case may be, where the MFC Fund is located and provided further that, in respect of the deposit of cash and other 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, exceed 10 percent of the net asset value of the MFC 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, exceed 10 percent of the net asset value of the MFC Fund as at the time of deposit.

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

“Darren McKall”
Manager, Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.9 Invesco Canada Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Temporary relief extended to permit mutual fund to maintain forward contract despite that exposure to counterparty exceeds 10% of its net asset value for 30 days or more – fund's objectives are to provide tax-efficient returns to investors – due to 2013 amendments to the Income Tax Act (Canada) fund would lose tax-efficiency of forward contract if contract was pre-settled to reduce counterparty exposure – relief subject to conditions including a 20% limit and a sunset clause that matches the maturity date of the forward – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(4), 19.1.

September 14, 2015

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

AND

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

AND

IN THE MATTER OF
INVESCO CANADA LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of Invesco Intactive Strategic Capital Yield Portfolio Class (the "**Invesco Top Fund**"), a mutual fund managed by the Filer, for an exemption from section 2.7(4) of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") pursuant to section 19.1 of NI 81-102 (the "**Exemption Sought**") to permit the Invesco Top Fund to maintain the Forward (as defined below) where the mark-to-market exposure of the Invesco Top Fund under the Forward with the Counterparty (as defined below) exceeds, for a period of 30 days or more, 10% of the net asset value of the Invesco Top Fund.

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless they are defined in this decision. The following additional terms shall have the following meanings:

"Counterparty" means the counterparty to the forward contract with the Invesco Top Fund.

"ICCI" means Invesco Corporate Class Inc.

"ITA" means *Income Tax Act* (Canada).

"Reference Fund" means Invesco Intactive Strategic Yield Portfolio.

Representations

1. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is the manager of the Invesco Top Fund and the Reference Fund.

3. The Filer is not in default of securities legislation in any jurisdiction in Canada.

4. Pursuant to the October 30, 2014 decision In the Matter of Invesco Canada Ltd. (the "**Prior Relief**"), the Filer obtained relief on behalf of PowerShares Tactical Bond Capital Yield Class and the Invesco Top Fund from section 2.7(4) of NI 81-102 to permit each of PowerShares Tactical Bond Capital Yield Class and the Invesco Top Fund (collectively, the "**Top Funds**") to maintain a Forward (as defined below) where the mark-to-market exposure of the Top Fund under the Forward with the Counterparty exceeds, for a period of 30 days or more, 10% but is no more than 20% of the net asset value of the Top Fund.

5. As of August 7, 2015, PowerShares Tactical Bond Capital Yield Class merged into PowerShares Tactical Bond Fund.

6. As of the date of this decision, the Filer will no longer rely on the Prior Relief.

7. The Invesco Top Fund is (a) an open-ended mutual fund that is a class of shares of ICCI, a corporation amalgamated under the laws of the

Province of Ontario; (b) a reporting issuer in every jurisdiction in Canada but no longer offers it securities for sale to the general public; and (c) not in default of securities legislation in any jurisdiction in Canada.

8. The investment objectives of the Invesco Top Fund seek to provide returns (before fees and expenses) similar to those of the Reference Fund on a tax-efficient basis.

9. The Invesco Top Fund seeks to achieve its investment objective by investing primarily in Canadian equity securities (the "**Equity Basket**") and by entering into a forward contract (the "**Forward**") with the Counterparty pursuant to which on the settlement date the Counterparty will deliver the investment return of a notional number of securities of the Reference Fund less the cost of the Forward and any hedging costs incurred by the Counterparty (collectively, the "**Forward Fee**") and the Invesco Top Fund will deliver the Equity Basket. The Invesco Top Fund may also invest directly in securities of the Reference Fund.

10. The Reference Fund is: (a) an open-ended mutual fund trust established under the laws of the Province of Ontario whose securities are offered for sale to the general public under a simplified prospectus filed in every jurisdiction in Canada; (b) a reporting issuer in every jurisdiction in Canada; and (c) not in default of any securities legislation in any jurisdiction of Canada.

11. The Counterparty may but is not obliged to hedge its obligations under the Forward by purchasing securities of the Reference Fund.

12. The investment of the Invesco Top Fund in the Reference Fund (either through the Forward or by directly purchasing securities of the Reference Fund) complies with the requirements of section 2.5 of NI 81-102 as amended by relief obtained by the Invesco Top Fund.

13. The Forward has a 5 year term. The maturity date for the Forward of the Invesco Top Fund is May 17, 2017. The terms of the Forward provides that it may be partially settled prior to its maturity. If there is a partial pre-settlement, the Invesco Top Fund will deliver a portion of the Equity Basket to the Counterparty who will deliver an amount equal to the return on a notional number of securities of the Reference Fund less the Forward Fees. This partial pre-settlement will result in the Invesco Top Fund realizing a capital gain or a capital loss for tax purposes on the sale of a portion of the Equity Basket.

14. The Forward is entered into by the Invesco Top Fund in accordance with the requirements of NI 81-102, including in particular sections 2.7 and 2.8 thereof.

15. Since the Invesco Top Fund began offering its securities to the public, it has solely used the Counterparty as the counterparty to the Forward.

16. The Counterparty is a foreign entity whose obligations are fully guaranteed by a Canadian financial institution.

17. The Canadian financial institution is a Schedule I bank under the Bank Act (Canada) which currently has a designated rating by a designated rating organization.

18. The Counterparty is not an acceptable clearing corporation or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102.

19. Pursuant to section 2.7(4) of NI 81-102, the mark-to market exposure of a mutual fund under a specified derivative with a counterparty may not exceed 10% of the net asset value of the fund (the "**Maximum Exposure**") for a period of 30 days or more.

20. The mark-to market exposure of the Invesco Top Fund to the Counterparty has on several occasions exceeded the Maximum Exposure for a period exceeding 30 days since the granting of the Prior Relief.

21. In light of the current Canadian equity market volatility, there is a possibility that the Invesco Top Fund's exposure to its Counterparty will continue to exceed the Maximum Exposure for 30 days or more.

22. Under normal conditions, the Invesco Top Fund would partially pre-settle its Forward with the Counterparty to reduce the mark-to-market exposure to the Counterparty and would have the flexibility in the future to upsize or increase the size of the Forward when the mark-to-market exposure of the Counterparty improved.

23. The 2013 federal budget introduced section 12(1)(z.7)(ii) of the ITA which provision requires all profits from a derivative forward contract to be treated on account of income rather than capital. Under the transitional rules, section 12(1)(z.7)(ii) of the ITA generally only applies to the proceeds of forward contracts that were entered into after March 20, 2013.

24. As a result of the introduction of section 12(1)(z.7)(ii) of the ITA, it is not possible for the Invesco Top Fund to:

    i) enter into any new forward contract with a counterparty where the profits from that forward contract will be treated on account of capital on maturity of that forward contract;

ii) extend the term of the existing Forward under any circumstances; or

iii) upsize or increase the size of the existing Forward except under limited circumstances, namely where the Invesco Top Fund holds cash as of March 20, 2013 which cash was committed to be used to upsize or increase the size of the existing Forward.

25. Accordingly, while it is possible for the Invesco Top Fund to partially pre-settle the Forward to reduce its counterparty exposure, it is not desirable to do so as it will not be able to upsize or increase the size of the Forward or enter into a comparable forward contract with the Counterparty or another counterparty in the future as:

i) any such upsizing or increasing the size of the Forward would taint the entire Forward, namely, all profits from the Forward on maturity (not only the portion upsized or increased) would be treated on account of income rather than capital; and

ii) entering into a new forward contract with the Counterparty or another counterparty will result in the profits of that forward contract on maturity being treated on account of income rather than capital.

In both instances, this would be contrary to the investment objectives of the Invesco Top Fund, namely to provide tax efficient returns.

26. The Filer has considered a direct investment in the Reference Fund by the Invesco Top Fund. However, this is not desirable as the Reference Fund will distribute income to the Invesco Top Fund. As the Invesco Top Fund is part of ICCI, each year all income of the Invesco Top Fund together with all other funds that are classes of ICCI (the "**ICCI Classes**") are aggregated and deducted against (i) all expenses of the ICCI Classes, and (ii) any non-capital loss carryforwards of ICCI. To the extent that the income exceeds expenses and loss carryforwards, ICCI will become taxable. Accordingly, any direct investment by the Invesco Top Fund in the Reference Fund should only be considered as a last resort measure to ensure the Invesco Top Fund meet its investment objectives until the maturity date of the Forward.

27. At the time of applying for the Prior Relief and at the time of applying for the Exemption Sought, the Filer also considered several other alternatives to the Exemption Sought, but has determined that such other alternatives were at that point and are at this point neither desirable nor in the best interests of the securityholders of the Invesco Top Fund.

28. The Exemption Sought is in the best interests of the Invesco Top Fund.

Decision

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

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

(a) the mark-to-market value of the exposure of the Invesco Top Fund to the Counterparty under the Forward does not exceed, for a period of 30 days or more, 20% of the net asset value of the Invesco Top Fund;

(b) the Forward for the Invesco Top Fund mature on May 17, 2017 and that the terms of such Forward is not extended;

(c) the Counterparty's obligations under the Forward continue to be guaranteed by a Canadian financial institution which financial institution is a Schedule I bank under the *Bank Act* (Canada) which has a designated rating by a designated rating organization; and

(d) securities of the Invesco Top Fund are not, and will not be made, available for sale to investors.

This decision will terminate on May 17, 2017.

"Stephen Paglia"
Acting Manager,
Investment Funds and Structured Products
Ontario Securities Commission

2.2 Orders

2.2.1 Gaming Nation Inc. – s. 1(11)(b)

Headnote

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

Statutes Cited

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

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

AND

IN THE MATTER OF
GAMING NATION INC.

ORDER
(Paragraph 1(11)(b) of the Act)

UPON the application of Gaming Nation Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for a designation order, pursuant to clause 1(11)(b) of the Act, that the Issuer is a reporting issuer for the purposes of Ontario securities law;

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

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

1. The Issuer was incorporated in British Columbia on February 5, 2008 under the name "Accelerator Capital Corporation". On May 14, 2009, Accelerator Capital Corporation changed its name to "Oceanside Capital Corp.". On June 5, 2015, Oceanside Capital Corp. was continued as a corporation under the laws of the Province of Ontario and was re-named "Gaming Nation Inc.".

2. The Issuer's head office is located at 50 Minthorn Blvd., Suite 400 Thornhill, ON L3T 7X8.

3. The Issuer's securities (the "**Securities**") are listed on the TSX Venture Exchange (the "**TSXV**") under the stock symbol "FAN" and the Issuer is in good standing under the rules, regulations and policies of the TSX-V.

4. The authorized share capital of the Issuer consists of an unlimited number of common shares, and no other classes of shares. As of June 9, 2015, there were 34,656,810 common shares issued and outstanding.

5. The Issuer became a reporting issuer in British Columbia on May 7, 2008 and in Alberta on May 9, 2008, and is not in default of any requirement of the securities legislation of such jurisdictions as of the date hereof. The continuous disclosure requirements of British Columbia and Alberta are substantially the same as those in Ontario.

6. The Issuer is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than British Columbia and Alberta.

7. The materials filed by the Issuer as a reporting issuer in the Provinces of Alberta and British Columbia are available on the System for Electronic Document Analysis and Retrieval (SEDAR).

8. Pursuant to section 18.2 of Policy 3.1 of the TSXV Corporate Finance Policies, a listed issuer, which is not otherwise a reporting issuer in Ontario, must assess whether it has a "Significant Connection to Ontario" (as defined in Policy 1.1 of the TSXV Corporate Finance Policies) and, upon becoming aware that it has a "Significant Connection to Ontario", promptly make a bona fide application to the Commission to be designated a reporting issuer in Ontario.

9. The Issuer believes that it has had a "Significant Connection to Ontario" since the completion of a series of transactions including a business combination, reverse takeover, amalgamation, certain share acquisitions and dispositions and a share consolidation as well as financing transactions in connection therewith.

10. Ontario will be the principal regulator for the Issuer once it has obtained reporting issuer status in Ontario.

11. The Issuer has filed a "Non-Issuer Submission to Jurisdiction and Appointment of Agent for Service of Process" form on SEDAR executed by each non-resident director and officer of the Issuer.

12. The Issuer has not been subject to any penalties or sanctions by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority.

13. Neither a director nor an officer of the Issuer nor, to the knowledge of the Issuer and its directors and officers, a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer has been subject to: (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has

entered into a settlement agreement with any Canadian securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

14. There are no ongoing or concluded investigations by: (i) a Canadian securities regulatory authority; or (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision, relating to the Issuer, a director or officer of the Issuer, or, to the knowledge of the Issuer and its directors and officers, a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer.

15. There are no bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, and no receiver, receiver manager or trustee has been appointed within the 10 years before the date of the Issuer's application relating to the Issuer, a director or officer of the Issuer, or, to the knowledge of the Issuer and its directors and officers, a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer.

16. None of the directors or officers of the Issuer nor, to the knowledge of the Issuer and its directors and officers, any shareholder holding sufficient securities to affect materially the control of the Issuer, is or has been at the time of such event a director or officer of any other issuer which is or has been subject to: (i) any cease trade or similar order or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the 10 years before the date of this application; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the 10 years before the date of this application.

17. The Issuer has remitted all participation fees due and payable by it pursuant to Commission Rule 13-502 Fees upon submitting its application.

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

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

DATED at Toronto on this 4th day of September, 2015.

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

2.2.2 Portfolio Strategies Securities Inc. and Clifford Todd Monaghan – Rule 6 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
A HEARING AND REVIEW OF THE DECISION OF THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA REGARDING PORTFOLIO STRATEGIES SECURITIES INC.

AND

IN THE MATTER OF
CLIFFORD TODD MONAGHAN

ORDER
(Rule 6 of the Commission's Rules of Procedure (2014), 37 O.S.C.B. 4168)

WHEREAS:

1. on August 10, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 8 and 21.7 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act"), in relation to an application made by Clifford Todd Monaghan (the "Applicant") for a Hearing and Review of a Decision of the Investment Industry Regulatory Organization of Canada ("IIROC"), which approved an *Application for Investors Holding 10% or More of an IIROC Member Firm* that was filed by Portfolio Strategies Securities Inc. ("PSSI");

2. on August 18, 2015, the Applicant, IIROC Staff, Staff of the Commission and counsel for PSSI appeared at a confidential pre-hearing conference and made submissions;

3. on August 18, 2015, the Commission ordered that:

   a. the Applicant shall serve and file an amended application, if any, by August 28, 2015;

   b. IIROC Staff, Staff of the Commission and PSSI shall serve and file motions, if any, including motion records and memoranda of fact and law, by September 4, 2015;

   c. the Applicant shall serve and file a responding motion record and memoranda of fact and law, if any, by September 11, 2015;

d. PSSI's cross-examination on Monaghan's affidavits, if any, shall take place on September 14, 2015; and

e. a motion hearing, if any, shall take place on September 16, 2015 at 11:00 a.m.

4. on September 9, 2015, the parties requested that a pre-hearing conference be held on September 16, 2015 at 10:30 a.m., via conference call, to provide the Commission with a status update; and

5. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that a confidential pre-hearing conference be held on September 16, 2015 at 10:30 a.m. via conference call.

DATED at Toronto, this 10th day of September, 2015.

"Alan Lenczner"

2.2.3 Paul Camillo DiNardo

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

AND

IN THE MATTER OF
PAUL CAMILLO DINARDO

ORDER

WHEREAS:

1. on August 20, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Paul Camillo DiNardo ("DiNardo");

2. on August 17, 2015, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of this proceeding;

3. on September 9, 2015, Staff appeared before the Commission and made submissions, and filed an affidavit of service sworn by Kenneth J. Hall, Process Server, on August 21, 2015, indicating steps taken to serve DiNardo with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials;

4. on September 9, 2015, DiNardo did not appear or make submissions, although properly served;

5. on September 9, 2015, the Commission considered an application brought by Staff to continue the proceeding by way of a written hearing, in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Power Procedures Act*, R.S.O. 1990, c. S.22, as amended;

6. the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials shall be served and filed no later than September 21, 2015;

(c) DiNardo's responding materials, if any, shall be served and filed no later than October 19, 2015; and

(d) if applicable, Staff's reply materials, if any, shall be served and filed no later than November 2, 2015.

DATED at Toronto this 9th day of September, 2015.

"Timothy Moseley"

2.2.4 Future Solar Developments Inc. et al. – ss. 127(1), 127(8)

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

AND

IN THE MATTER OF
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and XUNDONG QIN
also known as SAM QIN

TEMPORARY ORDER
(Subsections 127(1) and 127(8))

WHEREAS:

1. on February 17, 2015, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to subsection 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following:

   a. pursuant to paragraph 2 of subsection 127(1) of the Act, Future Solar Developments Inc. ("FSD"), Cenith Energy Corporation ("Cenith Energy"), Cenith Air Inc. ("Cenith Air"), Angel Immigration Inc. ("Angel Immigration") (together the "Corporate Respondents") and Xundong Qin (also known as Sam Qin) ("Qin") (together with the Corporate Respondents, the "Respondents") cease trading in all securities;

   b. pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in the securities of FSD shall cease; and

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

2. the Commission ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

3. on February 19, 2015, the Commission issued a Notice of Hearing (the "Notice of Hearing") to consider the extension of the Temporary Order, to be held on March 2, 2015 at 11:00 a.m.;

4. Staff of the Commission ("Staff") served the Respondents with copies of the Temporary Order, the Notice of Hearing and Staff's supporting materials as evidenced by Affidavit of Service filed with the Commission;

5. the Commission held a hearing on March 2, 2015 and counsel for Staff and Qin, on behalf of himself and behalf of the Corporate Respondents, attended the hearing;

6. the Commission ordered that pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until June 12, 2015 and that the hearing of the matter is adjourned until June 8, 2015 at 3:00 p.m.;

7. the Commission held a hearing on June 8, 2015, and counsel for Staff and counsel for the Respondents attended the hearing;

8. counsel for the Respondents did not oppose an extension of the Temporary Order for a period of three months;

9. the Commission ordered that pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until September 11, 2015 and that the hearing of the matter be adjourned until September 9, 2015 at 10:00 a.m.;

10. the Commission held a hearing on September 9, 2015, and counsel for Staff and Qin, personally and on behalf of Cenith Energy, Cenith Air, and Angel Immigration, appeared and made submissions;

11. on September 9, 2015, no one appeared on behalf of FSD;

12. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

1. pursuant to subsections 127(1) and 127(8) of the Act, the Temporary Order is extended until November 12, 2015, or until further order of the Commission; and

2. the hearing of this matter is adjourned until November 9, 2015, at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 9th day of September, 2015.

"Mary Condon"

2.2.5 Future Solar Developments 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
FUTURE SOLAR DEVELOPMENTS INC.,
CENITH ENERGY CORPORATION, CENITH AIR INC.,
ANGEL IMMIGRATION INC. and XUNDONG QIN
also known as SAM QIN

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS

1. on March 26, 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 relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 26, 2015, to consider whether it is in the public interest to make certain orders against Future Solar Developments Inc. ("FSD"), Cenith Energy Corporation ("Cenith Energy"), Cenith Air Inc. ("Cenith Air"), Angel Immigration Inc. ("Angel Immigration") (together, the "Corporate Respondents") and Xundong Qin, also known as Sam Qin ("Qin") (together with the Corporate Respondents, the "Respondents");

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

3. on April 15, 2015, Staff and counsel for the Respondents appeared and made submissions;

4. the Commission ordered that the matter be adjourned to a confidential pre-hearing conference on June 8, 2015 at 3:00 p.m.;

5. on June 8, 2015, the Commission held a confidential pre-hearing conference and counsel for Staff and counsel for the Respondents attended the hearing;

6. the Commission ordered that:

   a. the Second Appearance in this matter be held on September 9, 2015 at 10:00 a.m.; and

   b. that Staff shall provide to the Respondents, no later than five (5) days before the Second Appearance, their witness lists and indicate any intent to call an expert witness, including the name of the expert witness and the issue

on when the expert will be giving evidence;

7. on September 9, 2015, the Commission held a Second Appearance and counsel for Staff and Qin, personally and on behalf of Cenith Energy, Cenith Air and Angel Immigration, appeared and made submissions;

8. on September 9, 2015, no one appeared on behalf of FSD;

9. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

1. the Third Appearance in this matter be held on November 9, 2015 at 10:00 a.m. or on such other date and time as provided by the Office of the Secretary and agreed to by the parties;

2. Staff shall provide to the Respondents their witness summaries by September 18, 2015; and

3. the Respondents shall provide to Staff by October 21, 2015, their witness lists and witness summaries and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence.

DATED at Toronto this 9th day of September, 2015.

"Mary Condon"

2.2.6 Canadian National Railway Company – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to that number of its common shares remaining eligible for purchase under its normal course issuer bid from a third party purchasing as agent – third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to two modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – issuer has purchased one-third of the maximum number of common shares that it can purchase under its normal course issuer bid pursuant to issuer bid exemption orders issued by securities regulatory authorities – due to the discounted purchase price, the common shares cannot be acquired through the TSX trading system – but for the fact that the common shares cannot be acquired through the TSX trading system, the Issuer could otherwise acquire such shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the parameters pursuant to which the third party will purchase common shares under the program are established at the time that the agreement governing same is entered into – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – acquisition of securities exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the agreement governing the program will prohibit the third party from selling common shares from its existing inventory to the issuer under the program unless it has purchased, or had purchased on its behalf, an equivalent number of common shares on the markets and such number of common shares so purchased must be equal to the number of common shares sold to the issuer.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
CANADIAN NATIONAL RAILWAY COMPANY

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Canadian National Railway Company (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to the Remaining NCIB Number (as defined below) of its common shares (the "**Common Shares**") from Royal Bank of Canada ("**RBC**") pursuant to a repurchase program (the "**Program**");

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

AND UPON the Issuer (and RBC in respect of paragraphs 5, 6, 7, 8, 17, 20, 21, 22, 23, 24, 25, 26, 28, 35 and 36 as they relate to RBC and its agents) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The registered and head office of the Issuer is located at 935 de La Gauchetière Street West, Montréal, Quebec, H3B 2M9.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the "**Jurisdictions**") and the Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbols "CNR" and "CNI", respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions in which it is a reporting issuer.

4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which 796,572,753 were issued and outstanding as of August 14, 2015.

5. RBC is a full service Schedule 1 Bank under the *Bank Act* (Canada). The corporate headquarters of RBC are located in the Province of Ontario.

6. RBC does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. RBC is the beneficial owner of at least 4,000,000 Common Shares, none of which were acquired by, or on behalf of, RBC in anticipation or contemplation of resale to the Issuer (such Common Shares over which RBC has beneficial ownership, the "**Inventory Shares**").

8. RBC is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. RBC is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

9. The Issuer announced on October 21, 2014 that it is engaging in a normal course issuer bid (the "**Normal Course Issuer Bid**") for up to 28,000,000 Common Shares, representing 3.95% of the Issuer's public float of Common Shares as of the date specified in the Notice of Intention to Make a Normal Course Issuer Bid (the "**Notice**") that was submitted to, and accepted by, the TSX. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and the NYSE or alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or a securities regulatory authority in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX Rules**"), including under automatic trading plans and by private agreements under issuer bid exemption orders issued by securities regulatory authorities.

10. The Commission granted the Issuer orders on October 24, 2014 and February 6, 2015 (the "**OSC Orders**") pursuant to clause 104(2)(c) of the Act exempting the Issuer from the Issuer Bid Requirements in connection with the proposed purchases by the Issuer of up to an aggregate of 5,833,333 Common Shares, and the Issuer was granted equivalent orders on January 28, 2015, March 2, 2015 and March 12, 2015 by the Autorité des marchés financiers (the "**AMF Orders**" and together with the OSC Orders, the "**Off-Exchange Block Purchase Orders**") in connection with the proposed purchases by the Issuer of up to an aggregate of 3,500,000 Common Shares, in each case from arm's length selling shareholders. Each of the Off-Exchange Block Purchase Orders was conditioned upon, *inter alia*, the requirement that the Issuer not purchase, pursuant to Off-Exchange Block Purchase Orders, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid (the "**Off-Exchange Block Purchase Maximum**"). As at August 14, 2015, the Issuer has purchased an aggregate of 19,219,670 Common Shares pursuant to the Normal Course Issuer Bid, including all 9,333,333 Common Shares available for purchase under the Off-Exchange Block Purchase Orders. The Issuer has reached the Off-Exchange Block Purchase Maximum in respect of the Normal Course Issuer Bid.

11. To the best of the Issuer's knowledge, the "public float" (calculated in accordance with the TSX Rules) for the Common Shares as at August 14, 2015 consisted of 683,349,510 Common Shares. The Common Shares are "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* ("**OSC Rule**

48-501") and section 1.1 of the Universal Market Integrity Rules ("**UMIR**").

12. Pursuant to the TSX Rules, the Issuer has appointed a broker to make purchases on its behalf for the purposes of the Normal Course Issuer Bid (the "**Responsible Broker"**).

13. The Issuer may, from time to time, appoint a non-independent purchasing agent (a "**Plan Trustee**") to fulfill requirements for the delivery of Common Shares under the Issuer's security-based compensation plans (the "**Plan Trustee Purchases**"). The maximum number of Common Shares that the Issuer is permitted to repurchase under the Normal Course Issuer Bid will be reduced by the number of Plan Trustee Purchases.

14. The Issuer implemented an automatic repurchase plan (the "**ARP**") to permit the Issuer to make purchases under the Normal Course Issuer Bid during internal blackout periods, including regularly scheduled quarterly blackout periods and at such times when the Issuer would not otherwise be permitted to trade in its Common Shares. The ARP was approved by the TSX and is in compliance with the TSX Rules and applicable securities law.

15. The Normal Course Issuer Bid is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 101.2(1) of the Act in Ontario, and its equivalent provision in the securities legislation of the other Jurisdictions. Subsection 101.2(1) provides that an issuer bid that is made in the normal course through the facilities of a designated exchange is exempt from the formal bid requirements if the bid is made in accordance with the by-laws, rules, regulations and policies of that exchange. The Commission has recognized the TSX as a designated exchange for the purposes of subsection 101.2(1) of the Act.

16. The Normal Course Issuer Bid is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the "**Other Published Markets**") in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 101.2(2) of the Act in Ontario, and its equivalent provision in the securities legislation of the other Jurisdictions (the "**Other Published Markets Exemption**", and together with the TSX Rules, the "**NCIB Rules**"). The Other Published Markets Exemption provides that an issuer bid that is made in the normal course on a published market, other than a designated exchange, is exempt from the formal bid requirements if the bid is, among other things, for not more than 5% of the outstanding securities of a class of securities of the issuer and the aggregate number of securities acquired in reliance upon the Other Published Markets Exemption by the issuer and any person or company acting jointly or in concert with the issuer within any period of 12 months does not exceed 5% of the outstanding securities of that class at the beginning of the 12-month period.

17. The Issuer proposes to participate in the Program during the Normal Course Issuer Bid, which will be governed by, and conducted in accordance with, the terms and conditions of a Repurchase Program Agreement (the "**Program Agreement**") that will be entered into between the Issuer and RBC prior to the commencement of the Program and a copy of which will be delivered by the Issuer to the Commission.

18. The Issuer is of the view that (a) it will be able to purchase Common Shares from RBC at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and/or on Other Published Markets, and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes a desirable use of the Issuer's funds.

19. The Issuer has filed with the TSX, and the TSX has accepted, an amended Notice (the "**Amended Notice**") and draft press release (the "**Press Release**"), in each case, describing the material features of the Program and disclosing the Issuer's intention to participate in the Program during the Normal Course Issuer Bid. The Issuer will issue the Press Release at least two clear trading days prior to the commencement of the Program.

20. RBC will retain the services of RBC Dominion Securities Inc. ("**RBC DS**") to acquire Common Shares on its behalf through the facilities of the TSX and on Other Published Markets in Canada (each, a "**Canadian Other Published Market**" and collectively with the TSX, the "**Canadian Markets**").

21. RBC DS is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and New Brunswick. It is also registered as a futures commission merchant under the *Commodity Futures Act* (Ontario), a derivatives dealer under the *Derivatives Act* (Québec), and as dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). RBC DS is a member of the Investment Industry Regulatory Organization of Canada ("**IIROC**") and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved

participant of the Bourse de Montréal. The head office of RBC DS is located in Toronto, Ontario.

22. The Program Agreement will provide that all Common Shares acquired by, or on behalf of, RBC on a day (each, a "**Trading Day**") during the term of the Program Agreement on which Canadian Markets are open for trading must be acquired on Canadian Markets in accordance with the NCIB Rules that would be applicable to the Issuer in connection with the Normal Course Issuer Bid, provided that:

    (i) the opening price of the Common Shares on the TSX on the Trading Day is less than or equal to a price agreed to at the time the Program Agreement is entered into (the "**Threshold Price**");

    (ii) the aggregate number of Common Shares to be acquired on Canadian Markets by, or on behalf of, RBC on each Trading Day will not exceed the maximum daily limit that is imposed upon the Normal Course Issuer Bid pursuant to the TSX Rules determined with reference to an average daily trading volume that is based on the trading volume on all Canadian Markets rather than being limited to the trading volume on the TSX only (the "**Modified Maximum Daily Limit**"), being understood that the aggregate number of Common Shares to be acquired on the TSX by, or on behalf of, RBC on each Trading Day will not exceed the maximum daily limit that is imposed on the Normal Course Issuer Bid pursuant to the TSX Rules;

    (iii) the aggregate number of Common Shares acquired by, or on behalf of, RBC pursuant to the Program Agreement may not exceed that number of Common Shares remaining that the Issuer is entitled to acquire under the Normal Course Issuer Bid, calculated as at the date of the Program Agreement (the "**Remaining NCIB Number**");

    (iv) the aggregate number of Common Shares acquired by, or on behalf of, RBC pursuant to the Program Agreement on Canadian Other Published Markets may not exceed that number of Common Shares remaining eligible for purchase pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement;

    (v) upon the occurrence of a cessation of trading on the TSX or other event that would impair RBC's ability to acquire Common Shares on Canadian Markets (a "**Market Disruption Event**"), RBC will cease acquiring Common Shares and the number of Common Shares acquired by RBC to such time will be the "**Acquired Shares**" for the purposes of the Program; and

    (vi) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by, or on behalf of, RBC on any Canadian Markets pursuant to a pre-arranged trade.

23. Pursuant to the Program Agreement, on every Trading Day where the opening price of the Common Shares on the TSX is less than or equal to the Threshold Price, RBC will purchase, or have purchased on its behalf, the Number of Common Shares. The "**Number of Common Shares**" will be no greater than the least of: (a) the quotient of an agreed upon daily Canadian dollar amount divided by the Discounted Price; (b) the Remaining NCIB Number less the aggregate number of Common Shares previously purchased by, or on behalf of, RBC under the Program; (c) the Acquired Shares; and (d) the Modified Maximum Daily Limit. The "**Discounted Price**" per Common Share is equal to (i) the volume weighted average price of the Common Shares on the Trading Day on which purchases were made less an agreed upon discount, or (ii) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares at the time of the Market Disruption Event less an agreed upon discount.

24. RBC will deliver to the Issuer a number of Common Shares equal to the number of Common Shares purchased by, or on behalf of, RBC under the Program on any Trading Day on the following Trading Day, and the Issuer will pay RBC the Discounted Price for each such Common Share. Each Common Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer. The Common Shares delivered by RBC to the Issuer will be from the Inventory Shares.

25. RBC will not sell Inventory Shares to the Issuer under the Program unless it has purchased, or had purchased on its behalf, an equivalent number of Common Shares on Canadian Markets, and the number of Common Shares that are purchased by, or on behalf of, RBC on Canadian Markets on a Trading Day will be equal to the Number of Common Shares for such Trading Day.

26. The term of the Program Agreement will be for a fixed and specified period, which will not exceed the remaining term of the Normal Course Issuer Bid and will terminate on the last date of such specified period (the "**Expiration Date**"). Neither the Issuer nor RBC may unilaterally terminate the

Program Agreement prior to the Expiration Date except in the case of an event of default by a party thereunder.

27. The Program Agreement will (a) prohibit the Issuer from purchasing any Common Shares (other than Common Shares purchased under the Program), (b) require the Issuer to prohibit the Responsible Broker from acquiring any Common Shares on behalf of the Issuer, (c) require the Issuer to prohibit the Plan Trustee from undertaking any Plan Trustee Purchases, and (d) require the Issuer to prohibit the designated broker under the ARP from acquiring any Common Shares on behalf of the Issuer, in each case, during the conduct of the Program by RBC and RBC DS.

28. The Program Agreement will provide that all purchases of Common Shares under the Program by, or on behalf of, RBC will be done as agent of the Issuer and neither RBC nor RBC DS will engage in any hedging activity in connection with the conduct of the Program.

29. The Program will be conducted during such times when the Issuer would not otherwise be permitted to trade in its Common Shares, including during internal blackout periods, in accordance with the parameters established and set out in the Program Agreement. The Program was approved by the TSX.

30. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the completion of the Program, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (b) file a notice on the System for Electronic Document Analysis and Retrieval (SEDAR) disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

31. But for the fact that the Discount Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time that the Issuer purchases the Common Shares from RBC, the Issuer could otherwise acquire such Common Shares through the facilities of the TSX as a "block purchase" in accordance with the block purchase exception in paragraph 629(1)7 of the TSX Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

32. The entering into of the Program Agreement, the purchase of Common Shares by, or on behalf of, RBC and the sale of Common Shares by RBC to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.

33. The sale of Common Shares to the Issuer by RBC will not be a "distribution" (as defined in the Act).

34. The Issuer will be able to acquire the Common Shares from RBC without the Issuer being subject to the dealer registration requirements of the Act.

35. At the time that the Issuer and RBC enter into the Program Agreement, neither the Issuer, nor any member of the Equity Finance Canada group of RBC, nor any personnel of RBC that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").

36. Each of RBC and RBC DS has policies and procedures that are designed to ensure conduct of the Program in accordance with, among other things, the Program Agreement and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that, notwithstanding the Off-Exchange Block Purchase Maximum, the Issuer be exempt from the Issuer Bid Requirements in respect of the entering into of the Program Agreement and the delivery of the Inventory Shares by RBC to the Issuer pursuant to the Program, provided that:

(a) at least two clear trading days prior to the commencement of the Program, the Issuer will issue the Press Release, which describes, among other things, the material features of the Program and discloses the Issuer's intention to participate in the Program during the Normal Course Issuer Bid;

(b) the Program Agreement will require RBC and its agents to abide by the NCIB Rules applicable to the Normal Course Issuer Bid, subject to clauses 22(ii) and (vi) hereof;

(c) the Program Agreement will require that RBC and its agents maintain records of all purchases of Common Shares that are made by, or on behalf of, RBC pursuant to the Program, which will be

available to the Commission and IIROC upon request;

(d) the Program Agreement will prohibit RBC from selling Inventory Shares to the Issuer under the Program unless RBC has purchased, or had purchased on its behalf, an equivalent number of Common Shares on Canadian Markets, and the Program Agreement will provide that the number of Common Shares that are purchased by, or on behalf of, RBC on Canadian Markets on a Trading Day will be equal to the Number of Common Shares for that Trading Day;

(e) the Common Shares acquired by RBC under the Program will be taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the Normal Course Issuer Bid in accordance with the TSX Rules and those Common Shares that were purchased by or on behalf of RBC on Canadian Other Published Markets will be taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;

(f) the Program Agreement will (i) prohibit the Issuer from purchasing any Common Shares (other than Common Shares purchased under the Program), (ii) require the Issuer to prohibit the Responsible Broker from acquiring any Common Shares on behalf of the Issuer, (iii) require the Issuer to prohibit the Plan Trustee from undertaking any Plan Trustee Purchases, and (iv) require the Issuer to prohibit the designated broker under the ARP from acquiring any Common Shares on behalf of the Issuer, in each case, during the conduct of the Program by RBC and RBC DS;

(g) each purchase made by or on behalf of RBC through the facilities of Canadian Markets pursuant to the Program shall be marked with such designation as would be required by the applicable marketplace and UMIR for a trade made by an agent on behalf the Issuer;

(h) at the time that the Program Agreement is entered into by the Issuer and RBC, the Common Shares must be "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR;

(i) at the time that the Issuer and RBC enter into the Program Agreement, neither the Issuer, nor any member of the Equity Finance Canada group of RBC, nor any personnel of RBC that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and deliver the Common Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed; and

(j) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the completion of the Program, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission; and (ii) file a notice on SEDAR disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

DATED at Toronto, Ontario, this 11th day of September, 2015

“Grant Vingoe”
Vice-Chair
Ontario Securities Commission

“Edward P. Kerwin”
Commissioner
Ontario Securities Commission

2.2.7 Eda Marie Agueci et al. – s. 17

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

AND

IN THE MATTER OF
EDA MARIE AGUECI, DENNIS WING, SANTO IACONO, JOSEPHINE RAPONI, KIMBERLEY STEPHANY, HENRY FIORILLO, GIUSEPPE (JOSEPH) FIORINI, JOHN SERPA, IAN TELFER, JACOB GORNITZKI and POLLEN SERVICES LIMITED

ORDER
(Section 17 of the Securities Act)

WHEREAS:

1. on July 18, 2011, the Ontario Securities Commission (the "Commission") issued an Order pursuant to section 11 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") appointing certain members of Staff of the Commission ("Staff") for the due administration of Ontario securities law and regulation of the capital markets in Ontario to investigate and inquire into matters relating to this matter (the "Section 11 Order");

2. Anthony Frizelle ("Frizelle") was served a summons issued pursuant to section 13 of the Act dated October 6, 2011 to attend at the Commission for an examination;

3. in response to the summons dated October 6, 2011, Frizelle attended at the Commission for an examination on October 18, 2011 to provide evidence to Staff (the "Compelled Evidence");

4. the hearing of this matter has concluded, with reasons and a decision on the merits rendered February 11, 2015, and reasons and a decision on sanctions and costs rendered June 24, 2015;

5. Frizelle has advised the Commission that he intends to bring a petition in British Columbia seeking indemnification from Nu Energy Uranium Corporation and Mega Uranium Ltd. in relation to the legal costs incurred in connection with the Compelled Evidence (the "Petition");

6. in the context of the Petition, Frizelle has advised the Commission that he needs to disclose that he was served a summons by Staff, that he did attend for an examination after being served with the summons and answered certain undertakings thereafter but does not anticipate that he will need to disclose the nature of any questions asked of him or any responses given on the examination;

7. the Commission considers it to be in the public interest to make this order; and

8. by Authorization Order dated August 21, 2015, pursuant to subsection 3.5(3) of the Act, each of Howard Wetston, Monica Kowal, D. Grant Vingoe, Mary G. Condon, Edward P. Kerwin, Janet Leiper, Alan J. Lenczner, Timothy Moseley and Christopher Portner acting alone, is authorized to exercise, subject to subsection 3.5(4) of the Act, the powers of the Commission to make orders under section 17 of the Act.

IT IS HEREBY ORDERED that pursuant to subsection 17(1) of the Act, Frizelle may disclose, for the purpose of the Petition, that he was served with a summons by Staff, that he attended for an examination on October 18, 2011 after being served with a summons and that he provided documents and other information in response to the undertakings given during the course of the examination.

DATED at Toronto this 10th day of September, 2015.

"Edward P. Kerwin"

2.2.8 CGI Group Inc. – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, from one of its shareholders an aggregate of up to 410,735 of its Class A subordinate voting shares – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased Class A subordinate voting shares of the Issuer in anticipation or contemplation of a sale of Class A subordinate voting shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Class A subordinate voting shares of the Issuer to re-establish its holdings of Class A subordinate voting shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
CGI GROUP INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of CGI Group Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases by the Issuer of up to 410,735 Class A subordinate voting shares of the Issuer (the "**Subject Shares**") in one or more trades from the Canadian Imperial Bank of Commerce (the "**Selling Shareholder**").

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 8, 9, 10, 11, 12, 13, 14, 15, 17, 23, 27 and 28, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer was incorporated on September 29, 1981 under Part IA of the *Companies Act* (Québec), predecessor to the *Business Corporations Act* (Québec) which now governs the Issuer. The Issuer continued the activities of Conseillers en Gestion et Informatique CGI Inc., which was originally founded in 1976.

2. The head, executive and registered office of the Issuer is situated at 1350 René-Lévesque Blvd. West, 15th Floor, Montreal, Québec, H3G 1T4.

3. The Issuer is a reporting issuer in each of the provinces of Canada. It is also registered as a foreign private issuer with the United States Securities and Exchange Commission. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Issuer's authorized share capital consists of an unlimited number of Class A subordinate voting shares (the "**Subordinate Voting Shares**"), an unlimited number of Class B shares (multiple voting) (the "**Multiple Voting Shares**"), an unlimited number of first preferred shares, issuable in series, and an unlimited number of second preferred shares, issuable in series, all without par value, of which 275,758,809 Subordinate Voting Shares and 33,272,767 Multiple Voting Shares were issued and outstanding as of September 8, 2015.

5. The Subordinate Voting Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**").

6. To the best of the Issuer's knowledge, as of August 28, 2015, the "public float" in respect of the Subordinate Voting Shares for the purposes of the TSX NCIB Rules (as defined below) consisted of a total of 215,410,483 Subordinate Voting Shares, representing approximately 78% of all issued and outstanding Subordinate Voting Shares.

7. The Subordinate Voting Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the *Universal Market Integrity Rules*.

8. The Selling Shareholder is a chartered bank governed by the *Bank Act* (Canada).

9. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.

10. The Selling Shareholder does not directly or indirectly own more than 5% of the issued and outstanding Subordinate Voting Shares.

11. The Selling Shareholder is the beneficial owner of at least 410,735 Subordinate Voting Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

12. No Subordinate Voting Shares were acquired by, or on behalf of, the Selling Shareholder on or after August 1, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Subordinate Voting Shares to the Issuer.

13. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Subordinate Voting Shares. The Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Subordinate Voting Shares to re-establish its holdings of Subordinate Voting Shares which will have been reduced as a result of the sale of the Subordinate Voting Shares pursuant to the Proposed Purchases (as defined below) between the date of this order and the date on which a Proposed Purchase is to be completed.

14. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act.

15. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions*.

16. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" accepted by the TSX effective February 9, 2015 (the "**NCIB Notice**"), the Issuer was permitted to make a normal course issuer bid (the "**NCIB**") to purchase up to 19,052,207 Subordinate Voting Shares, representing approximately 10% of the Issuer's public float of Subordinate Voting Shares. In accordance with the NCIB Notice, the NCIB is conducted through the facilities of the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**") and the Issuer may also purchase Subordinate Voting Shares on the open market through the facilities of the NYSE and alternative trading systems, as well as outside the facilities of the TSX by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

17. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, a "**Purchase Agreement**") pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by one or more purchases each occurring on or before February 10, 2016 (each such purchase, a "**Proposed Purchase**") for a purchase price (each, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price of the Subordinate Voting Shares on the TSX and below the bid-ask price for the Subordinate Voting Shares on the TSX at the time of the applicable Proposed Purchase.

18. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

19. The purchase of any of the Subject Shares by the Issuer pursuant to each Purchase Agreement will constitute an "issuer bid" for purposes of the Act to which the Issuer Bid Requirements would apply.

20. Because the Purchase Price, in each case, will be at a discount to the prevailing market price and below the bid-ask price for the Subordinate Voting Shares on the TSX at the time of the applicable Proposed Purchase, the Proposed Purchases cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

21. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Subordinate Voting Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**TSX Block Purchase**") in accordance with the block purchase exception in paragraph 629(l)7 of the TSX

NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

22. The NCIB Notice contemplates that purchases under the NCIB may be made by private agreements made under an issuer bid exemption order issued by a securities regulatory authority.

23. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

24. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

25. Management of the Issuer is of the view that (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Subordinate Voting Shares under the NCIB through the facilities of the TSX, and (b) the Proposed Purchases are a proper use of the Issuer's funds.

26. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Subordinate Voting Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.

27. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

28. At the time that each Purchase Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Purchase Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Purchase Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

29. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing that the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated any Subordinate Voting Shares to re-establish its holdings of Subordinate Voting Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases between the date of this order and the date on which such Proposed Purchase is to be completed.

30. Similar orders have been issued by the Commission on May 22, 2015 in connection with the proposed acquisition by the Issuer of up to 2,640,000 Subordinate Voting Shares from the Bank of Montreal and/or BMO Nesbitt Burns Inc., up to 2,300,000 Subordinate Voting Shares from The Toronto-Dominion Bank and up to 1,000,000 Subordinate Voting Shares from The Bank of Nova Scotia (collectively, the "**Other Purchases**"). As of September 8, 2015, the Issuer had acquired 5,940,000 Subordinate Voting Shares pursuant to the Other Purchases.

31. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Subordinate Voting Shares that the Issuer may purchase under the NCIB, such one-third being equal to 6,350,735 Subordinate Voting Shares as of the date of this order, taking into account, for greater certainty, the Subject Shares and the Other Purchases.

32. Given the Other Purchases and assuming completion of the Proposed Purchases, the Issuer will have purchased under the NCIB an aggregate of 6,350,735 Subordinate Voting Shares pursuant to Off-Exchange Block Purchases, representing one-third of the 19,052,207 Subordinate Voting Shares authorized to be purchased under the NCIB.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's NCIB in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting a TSX Block Purchase in accordance with the TSX NCIB Rules or another Off-Exchange Block Purchase during the calendar week that it completes any Proposed Purchase and will not make any further purchases under the NCIB for the remainder of the calendar day on

which it completes each Proposed Purchase;

(c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(1)1 of the TSX NCIB Rules) of a board lot of Subordinate Voting Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Subordinate Voting Shares pursuant to its NCIB in accordance with the NCIB Notice and the TSX NCIB Rules, as applicable, subject to condition (i) below;

(e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

(f) at the time that each Purchase Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Purchase Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Purchase Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

(g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases and (ii) that information regarding each Proposed Purchase, including the number of Subordinate Voting Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each such Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subordinate Voting Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Eastern time) on the business day following such Proposed Purchase;

(i) the Issuer does not purchase pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Subordinate Voting Shares that the Issuer may purchase under the NCIB, such one-third being equal to, as of the date of this order, 6,350,735 Subordinate Voting Shares; and

(j) the Issuer will not make any Proposed Pur-chase unless it has first obtained confirmation in writing that the Selling Shareholder has not purchased, had purchased on its behalf or otherwise accumulated any Subordinate Voting Shares to re-establish its holdings of Subordinate Voting Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases between the date of this order and the date on which such Proposed Purchase is to be completed.

DATED at Toronto this 11th day of September, 2015.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

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 on April 27, 2015, the Commission ordered that the Temporary Order be extended to September 18, 2015 and the hearing of this matter be 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;

AND WHEREAS on June 3, 2015, Tang was personally served with the Order of April 27, 2015;

AND WHEREAS on September 14, 2015, Counsel for Staff appeared before the Commission to request an extension of the Temporary Order and Tang attended the hearing and made submissions on his own behalf;

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 Friday, September 18, 2015 at 10:00 a.m. and the Temporary Order shall continue, as previously ordered, to Friday, September 18, 2015, 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 14th day of September, 2015.

"Christopher Portner"

2.2.10 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 on April 27, 2015, the Commission ordered that the hearing be adjourned to September 14, 2015 at 10:00 a.m.;

AND WHEREAS in advance of the hearing on September 14, 2015, Staff filed the Affidavit of Service of Alice Hewitt sworn June 23, 2015 demonstrating service of the Commission's Order dated April 27, 2015 on Tang;

AND WHEREAS on September 14, 2015, Counsel for Staff attended the hearing and made submissions and Tang attended the hearing and made submissions on his own behalf;

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 Friday, October 2, 2015 at 9:00 a.m.

DATED at Toronto this 14th day of September, 2015.

"Christopher Portner"

2.2.11 Dennis L. Meharchand et al. – ss. 127(1), 127(5)

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

AND

**IN THE MATTER OF
DENNIS L. MEHARCHAND, KWOK YAN LEUNG
(also known as TONY LEUNG) and
VALT.X HOLDINGS INC.**

**TEMPORARY ORDER
(subsections 127(1) and 127(5))**

WHEREAS:

1. it appears to the Ontario Securities Commission (the "Commission") that:

   a. Valt.X Holdings Inc. ("Valt.X") was incorporated pursuant to the laws of Ontario with a registered address in Toronto, Ontario;

   b. Dennis L. Meharchand ("Meharchand") is an Ontario resident and is the Chief Executive Officer, Secretary and a Director of Valt.X;

   c. Kwok Yan Leung (also known as Tony Leung) ("Leung") is an Ontario resident and is the President and a Director of Valt.X;

   d. Meharchand, Leung and Valt.X may have engaged or held themselves out as engaging in the business of trading in securities without being registered in accordance with Ontario securities law and without an exemption from the registration requirements contrary to subsection 25(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

   e. None of Meharchand, Leung or Valt.X were registered with the Commission in accordance with Ontario securities law or are exempt under Ontario securities law from the requirement to comply with subsection 25(1) of the Act;

   f. Meharchand, Leung and Valt.X may have traded in securities which constituted a distribution without filing a preliminary prospectus and prospectus with the Commission and without an exemption from the prospectus requirement contrary to subsection 53(1) of the Act;

   g. Valt.X has never been a reporting issuer and has not filed a preliminary prospectus and prospectus with the Commission and the Director has not issued a receipt;

   h. Meharchand and Leung may have authorized, permitted or acquiesced in the noncompliance with the Act by Valt.X contrary to section 129.2 of the Act;

   i. Staff are conducting an investigation into the conduct described above;

2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;

3. the Commission is of the opinion that it is in the public interest to make this Order;

4. by Authorization Order made August 21, 2015, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, Monica Kowal, D. Grant Vingoe, Mary G. Condon, Edward P. Kerwin, Janet Leiper, Alan J. Lenczner, Timothy Moseley and Christopher Porter acting alone, is authorized to make orders under section 127 of the Act;

5. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED pursuant to section 127 of the Act that:

1. pursuant to paragraph 2 of subsection 127(1), all trading in securities of Valt.X shall cease;

2. pursuant to paragraph 2 of subsection 127(1), trading in any securities by Meharchand, Leung and Valt.X shall cease;

3. pursuant to paragraph 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Meharchand, Leung and Valt.X; and

4. pursuant to subsection 127(6), this order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

DATED at Toronto, this 11th day of September, 2015.

"Howard Wetston"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Pro-Financial Asset Management Inc. et al.

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

AND

IN THE MATTER OF
PRO-FINANCIAL ASSET MANAGEMENT INC., STUART MCKINNON and JOHN FARRELL

REASONS AND DECISION
(Motion for Exemption and Registration)

Hearing:	June 30, 2015		
Decision:	September 11, 2015		
Panel:	Christopher Portner	–	Commissioner
Appearances:	Alistair Crawley Michael Byers	–	For Stuart McKinnon and Pro-Financial Asset Management
	Derek Ferris Catherine Weiler	–	For Staff of the Commission

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REASONS AND DECISION

I. INTRODUCTION

[1] On June 30, 2015, the Ontario Securities Commission (the "**Commission**") held a hearing to consider a motion (the "**Motion**") brought by Stuart McKinnon ("**McKinnon**") seeking (i) an order pursuant to section 147 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") that would exempt him from the provisions of Part XI of the Act with respect to his application for registration as a mutual fund dealing representative; (ii) an order granting his application for registration as a

dealing representative for De Thomas Financial Corp. ("**De Thomas**"); and (iii) an order that he be exempt from the restriction on acting as a registered individual at two separate firms set out in section 4.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations* ("**NI 31-103**").

[2] In bringing the Motion, McKinnon is, in essence, seeking an order of the Commission that he be granted registration as a mutual fund dealing representative without complying with the registration requirements of the Act, pending the eventual determination of allegations brought by staff of the Commission ("**Staff**") against him in an enforcement proceeding commenced pursuant to section 127 of the Act.

[3] For the reasons that follow, I have concluded that the Motion should not be granted.

II. BACKGROUND

[4] McKinnon was the founder of Pro-Financial Asset Management ("**PFAM**") and has been a director and directing mind of PFAM since its incorporation on November 6, 2002. PFAM was registered as a dealer in the category of exempt market dealer ("**EMD**"), which registration was suspended by a temporary order of the Commission dated May 17, 2013. McKinnon was registered as a dealing representative for PFAM from January 21, 2004 to May 17, 2013.

[5] McKinnon is also the former president and chief executive officer of Legacy Investment Management Inc. ("**Legacy**") which carried on business as a mutual fund dealer until its registration was suspended on December 4, 2013. McKinnon was registered as a dealing representative and Ultimate Designated Person of Legacy in the categories of mutual fund dealer and EMD. In or about November 2012, McKinnon caused Legacy to transfer certain managed assets and advisors to De Thomas with the intention of transferring his own registration as a dealing representative to De Thomas.

[6] By letter dated December 21, 2012, a Manager of the Compliance and Registrant Regulation Branch of the Commission (the "**CRRB**") advised McKinnon that Staff had recommended to the Director, as such term is defined in subsection 1(1) of the Act (the "**Director**"), that PFAM's application for investment fund manager registration be refused and that its registration as an adviser in the category of portfolio manager and as a dealer in the category of EMD be suspended (the "**December 21, 2012 Commission Letter**").

[7] The December 21, 2012 Commission Letter provided a detailed summary of Staff's most serious issues with respect to PFAM's suitability for registration which, in general terms, were (i) integrity, including honesty and good faith, particularly in dealings with clients and compliance with Ontario securities law; (ii) proficiency, including prescribed proficiency and knowledge of the requirements of Ontario securities law; and (iii) solvency, as it is an indicator of a firm's capacity to fulfill its obligations and can be an indicator of the risk that an individual will engage in self-interested activities at the expense of clients.

[8] In his Affidavit in support of the Motion sworn on June 19, 2015 (the "**McKinnon Affidavit**"), McKinnon states that, during the period from February 21, 2013 to March 28, 2014, he made repeated written requests, directly and through others, that Staff process the transfer of his dealing representative registration to De Thomas. He also states that, on December 3, 2013, he caused a Form 33-109F7 to be submitted to the Commission requesting the reinstatement of his registration.

[9] In a letter dated February 28, 2013, one of the Senior Legal Counsel of the Enforcement Branch of the Commission wrote to counsel at the time for McKinnon and PFAM, and advised him as follows:

> On December 12, 2012, CRR Staff made it clear to Stuart McKinnon in a meeting that it was of the view that Stuart McKinnon was not suitable for registration under the *Securities Act* (Ontario) (the **Act**).
>
> …
>
> The Proposal envisions Stuart McKinnon acting as a registered dealing representative sponsored by De Thomas Financial, and as a permitted individual with Legacy (as shareholder) and PFAM (as officer). Staff's concerns with Stuart McKinnon's integrity, proficiency and solvency do not disappear in the event of a reorganization. Stuart McKinnon should be aware that CRR Staff will not recommend that his registration under the Act be granted in any capacity, and is prepared to substantiate its concerns raised in the Recommendation. Any future proposal should not include Stuart McKinnon holding registrable positions or engaging in registrable activity. [Emphasis added.]

[10] On April 13, 2013, PFAM delivered a report to Staff which stated that there was a discrepancy of $1,222,549.45 resulting in a shortfall in the amount available to pay all outstanding liabilities to the holders of certain principal protected notes issued by Société Générale (Canada) and BNP Paribas (Canada) for which PFAM acted as an adviser, selling agent and note administrator.

[11] Pursuant to temporary orders dated May 17, 2013, as extended and amended, and January 14, 2015, the Commission suspended PFAM's registration as a dealer in the category of EMD and as an advisor in the category of portfolio manager, and its activities as an investment fund manager and, pursuant to an order dated February 27, 2015, the Commission suspended PFAM's registration as an advisor in the category of portfolio manager. PFAM no longer carries on any registrable activities.

[12] On December 9, 2014, the Commission issued a Notice of Hearing in connection with a Statement of Allegations filed by Staff on the same date (the "**Statement of Allegations**") in which Staff makes a number of allegations relating to PFAM, McKinnon and John Farrell, the Chief Compliance Officer of PFAM, including allegations that:

(a) PFAM failed to deal fairly, honestly and in good faith with its clients, in breach of its obligations under subsection 2.1(1) of the Commission's Rule 31-505 – *Conditions of Registration* ("**Rule 31-505**");

(b) PFAM failed to exercise the degree of care, diligence and skill a reasonably prudent person would exercise in the circumstances thereby breaching the standard of care for Investment Fund Managers under paragraph 116(b) of the Act;

(c) PFAM failed to maintain the minimum capital required of a registered firm and failed to report its capital deficiency, contrary to section 12.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**");

(d) PFAM failed to keep satisfactory books, records or other documents, contrary to subsection 19(1) of the Act and contrary to sections 11.5 and 11.6 of NI 31-103;

(e) PFAM failed to establish, maintain and apply policies and procedures that establish an adequate system of controls and supervision, contrary to section 11.1 of NI 31-103 and subsection 32(2) of the Act;

(f) McKinnon breached his obligations as Ultimate Responsible Person and Ultimate Designated Person of PFAM, contrary to former subsection 1.3(2) of Rule 31-505 and, on and after September 28, 2009, contrary to subsection 5.2 of NI 31-103; and

(g) McKinnon and Farrell, as officers and directors of PFAM, authorized, permitted or acquiesced in numerous breaches by PFAM of Ontario securities laws.

[13] On June 12, 2015, McKinnon filed Form 33-109F4 – *Registration of Individuals and Review of Permitted Individuals* requesting that he be registered as a dealing representative of De Thomas. Staff indicates through the Affidavit of Michael Denyszyn, a Senior Legal Counsel in the CRRB, sworn June 24, 2015 that the application has been assigned to a registration officer in the CRRB.

[14] The dates for the hearing on the merits with respect to the Statement of Allegations have not yet been set. The parties are scheduled to appear before the Commission on September 15, 2015, by which time Staff should have disclosed its witness list and summaries and indicated any intention on the part of Staff to call an expert witness and the respondents should have filed any notices of motion relating to requests for the disclosure of additional documents.

III. THE ISSUES

[15] The issues arising from the Motion are as follows:

(a) Does the Commission have jurisdiction to hear the Motion?

(b) Should the Commission grant McKinnon registration as a mutual fund dealing representative without requiring him to comply with the requirements of the Act?

IV. POSITION OF THE PARTIES

[16] McKinnon submits that there is no reasonable prospect that Staff of the CRRB will recommend that he be registered as a dealing representative pending the disposition of this proceeding, a submission that is substantiated by, among other things, the communication from Staff described in paragraph [9] above. McKinnon also submits that requiring him to incur unnecessary time and cost by going through the motions of a process whose result is a practical certainty would render an unfair outcome that would waste the resources of McKinnon, Staff and the Commission.

[17] McKinnon submits that, for the purposes of the Motion, the Commission can assume that the allegations in the Statement of Allegations are provable. McKinnon is, however, of the view that Staff's allegations, which form the basis of Staff's opposition to his registration, do not concern his registration as a dealing representative, there is no evidence that he poses any

risk to his former clients or potential future clients and that there is no public interest requiring protection to justify suspending his registration. He also submits that, if the Commission concludes that the allegations set out in the Statement of Allegations need to be determined before deciding whether McKinnon can be registered in any capacity, the proceeding should proceed expeditiously to a hearing on the merits.

[18] Staff opposes McKinnon's application for exemptive relief on the basis that (i) the Commission does not have jurisdiction in the first instance to make the requested order; (ii) it is prejudicial to the public interest to grant an exemption under section 147 of the Act given this proceeding under section 127 of the Act, PFAM's previous compliance issues which resulted in three sets of terms and conditions, the December 21, 2012 Commission Letter and certain orders of the Commission; and (iii) granting the Motion would create a problematic precedent for Staff which would allow applicants to by-pass established processes for applications for exemptive relief.

[19] Staff submits that the facts of the matter do not meet the test for determining whether a motion is appropriate for determination on a preliminary basis or during the hearing on the merits and that determining whether McKinnon should be granted the requested exemption or registration cannot be resolved without the Commission hearing at least some of the contested facts and evidence that will be presented at the hearing on the merits.

[20] Staff submits that McKinnon's past conduct demonstrates a lack of integrity such that he is unsuitable for registration and that this position, in Staff's view, will be established through evidence to be called at the hearing on the merits. Staff further submits that McKinnon's submissions relating to his conduct at PFAM understate the seriousness of the breaches of the Act alleged in the Statement of Allegations.

V. ANALYSIS

A. Does the Commission have jurisdiction to hear the Motion?

[21] Subsection 26(1) of the Act provides that applications for registration, reinstatement of registration or an amendment to an existing registration must contain such information in such form as the Director may reasonably require. Subsection 27(1) of the Act, entitled *Registration, etc.*, provides that:

> On receipt of an application by a person or company and all information, material and fees required by the Director and the regulations, the Director shall register the person or company, reinstate the registration of the person or company or amend the registration of the person or company, unless it appears to the Director,
>
> (a) that, in the case of a person or company applying for registration, reinstatement of registration or an amendment to a registration, the person or company is not suitable for registration under this Act; or
>
> (b) that the proposed registration, reinstatement of registration or amendment to registration is otherwise objectionable.

[22] Section 25.01 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c S.22 provides that "a tribunal has the power to determine its own procedures and practices and may for that purpose make orders with respect to the procedures and practices that apply in any particular proceeding".

[23] Section 147 of the Act provides that:

> "Except where exemption applications are otherwise provided for in Ontario securities law, the Commission may, on the application of an interested person or company and if in the Commission's opinion it would not be prejudicial to the public interest, make an order on such terms and conditions as it may impose exempting the person or company from any requirement of Ontario securities law".

[24] *McQuillen, Re*, (2014), 37 O.S.C.B. 8580 ("***McQuillen***"), was a matter in which the applicant requested, among other things, an exemption under section 147 of the Act from the 30-day time limit for bringing the application or that the Commission otherwise waive compliance with any such requirement. In opposing the application, Staff submitted that the Commission had no jurisdiction to waive the 30-day notice requirement under subsection 8(3) of the Act. The Commission held that, although there appeared to have been no prior Commission decisions addressing the application of section 147 of the Act, there is "no reason why section 147 should not be interpreted by its terms to apply to both substantive and procedural requirements of the Act." (*McQuillen*, *supra* at para. 63.) While I agree with the foregoing conclusion which is consistent with the text of section 147, it should be noted that section 147 includes an exception, namely, that no exemption applications are otherwise provided for in

Ontario securities law and a proviso that it would not, in the Commission's opinion, be prejudicial to the public interest to make the exemption order being sought.

[25] In its submissions relating to the issue of jurisdiction, Staff states that it is not taking the position that the Commission does not have jurisdiction under section 147 of the Act to waive any requirements, procedural or substantive, imposed by Ontario securities law, but, rather, that the granting of an order waiving any such requirement does not confer on the Commission jurisdiction under section 27 of the Act to make a decision with respect to registration which is a decision to be made by the Director. (Transcript of the Motion Hearing, June 30, 2015, p. 48, lines 8-19.)

[26] Staff submits that it is the Director and not the Commission that has the authority and responsibility in the first instance to determine whether an applicant for registration is suitable for registration or whether the proposed registration is otherwise objectionable. Staff further submits that the only authority granted to the Commission under section 27 of the Act relating to registration is set out in subsection 27(4) of the Act which authorizes the Commission or the Director to require a registrant that is a registered dealer, registered adviser or registered investment fund manager to direct its auditor to conduct an audit or financial review.

[27] Staff submits that National Instrument 33-109 – *Registration Information* ("**NI 33-109**") sets out the application process for firm and individual registration and the prescribed forms including the Form 33-109F4 filed by McKinnon to which reference is made in paragraph [13] above. As noted by Staff in its Memorandum of Fact and Law, the Form submitted by McKinnon is required to be submitted to the regulator by section 2.2 of NI 33-109. Under National Instrument 14-101 – *Definitions*, the regulator for the purposes of NI 33-109 is the Director.

[28] Pursuant to subsections 7.1(1) and (2) of NI 33-109, exemptions from NI 33-109, i.e., exemptions from providing registration information, in whole or in part, may only be granted by the Director, subject to such conditions or restrictions as may be imposed in the exemption.

[29] McKinnon also seeks an order that he be exempt from the restriction on acting as a registered individual at two separate firms set out in subsection 4.1(1) of NI 31-103 which states that:

> A firm registered in any jurisdiction in Canada must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if either of the following apply:
>
> (a) the individual acts as an officer, partner or director of another firm registered in any jurisdiction in Canada that is not an affiliate of the first-mentioned registered firm;
>
> (b) the individual is registered as a dealing, advising or associate advising representative of another firm registered in any jurisdiction in Canada.

[30] Staff submits that the authority to grant exemptions from any requirement of NI 31-103 is set out in subsections 15.1(1) and (2) of the Instrument which is to the same effect as subsections 7.1(1) and (2) of NI 33-109 described in paragraph [28] above, namely, that exemptions from the Instrument, in whole or in part, may only be granted by the Director subject to such conditions or restrictions as may be imposed in the exemption.

[31] As noted in paragraph [24] above, the exception in section 147 of the Act is that no exemption applications are otherwise provided for in Ontario securities law. Subsections 7.1(1) and (2) of NI 33-109, which deals with registration information, and subsections 15.1(1) and (2) of NI 31-103, which deals with registration requirements and exemptions, expressly provide that only the Director is empowered to deal with applications for exemptions from the provisions of such National Instruments.

[32] It would appear from the foregoing that, notwithstanding the provisions of section 147 of the Act, the Commission may not have the jurisdiction to issue an order exempting McKinnon from complying with the registration requirements under the Act and the related National Instruments described above. Given my finding below relating to the second issue which I must address, namely, whether the Commission should grant McKinnon registration as a mutual fund dealing representative without complying with the requirements of the Act, it is not necessary for me to decide the issue, particularly as it arose in connection with an application of an interlocutory nature and not as part of a hearing on the merits which would have permitted more detailed oral and written submissions.

B. Should the Commission grant McKinnon registration as a mutual fund dealing representative without requiring him to comply with the requirements of the Act?

1. Legal Framework

[33] The purposes of the Act as set out in section 1.1 are:

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

(b) to foster fair and efficient capital markets and confidence in those markets.

[34] Subsection 2.1(2) of the Act states that the primary means for achieving the purposes of the Act include "requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants."

[35] As set out in paragraph [21] above, subsection 27(1) of the Act provides that, on receipt of an application from a person together with the required information, documents and fees, the Director shall register the person, reinstate the registration of the person or amend the registration of the person unless it appears to the Director that the person is not suitable for registration under the Act or that the proposed registration or reinstatement is otherwise objectionable.

[36] In considering whether a person or company is not suitable for registration, subsection 27(2) of the Act provides that the Director shall consider whether the person has satisfied (i) the requirements prescribed in the regulations relating to proficiency, solvency and integrity; (ii) such other requirements for registration, reinstatement of registration or an amendment to a registration, as the case may be, as may be prescribed by the regulations; and (iii) such other factors as the Director considers relevant.

[37] Although integrity is not defined in the Act, Companion Policy 31-103 – *Registration Requirements and Exemptions* ("CP 31-103") provides some guidance with respect to assessing fitness for registration for individuals with respect to proficiency, integrity, and solvency. In particular, under the heading *Assessing fitness for registration – individuals* in section 1.3 of CP 31-103, the subparagraph entitled *(b) – Integrity* provides that:

> Registered individuals must conduct themselves with integrity and have an honest character. The regulator will assess the integrity of individuals through the information they are required to provide on registration application forms and as registrants, and through compliance reviews. For example, applicants are required to disclose information about conflicts of interest, such as other employment or partnerships, service as a member of a board of directors, or relationships with affiliates, and about any regulatory or legal actions against them.

[38] In *Sterling Grace & Co* (2014) 37 O.S.C.B 8298 ("***Sterling***"), the Commission made the following findings:

> **173** In assessing the integrity of applicants for registration, the Commission has considered factors including, the person or company's dealings with clients, compliance with Ontario securities laws and the use of prudent business practices (*Wall, Re* (2007), 30 O.S.C.B. 7521 at para. 23; cited in *Istanbul, Re* (2008) 31 O.S.C.B. 3799 at para. 66 ("***Istanbul***") and *Sawh, Re* (2012) 35 O.S.C.B. 7431 at para. 257). In our view, those considerations are equally applicable in matters of whether a registration should be suspended or revoked or whether it is appropriate to impose terms and conditions upon it. We agree that an individual's honesty and candour in their dealings with the Commission is also a relevant consideration with respect to integrity (*Pyasetsky Director's Decision*, (2012) 35 O.S.C.B. 2092 at paras. 17-18).
>
> **174** We agree with the findings of a director of the Alberta Securities Commission in *John Doe* that the concept of integrity invoked in the registration regime is broader than dishonesty. Rather, it encompasses a duty of care and while a registrant may not be dishonest, he or she may 'be reckless or lackadaisical over whether one complies with the rules or requirements of one's industry' (*John Doe, Re* (2010), 33 O.S.C.B. 1371 (Ont. Securities Comm.) at para. 37, citing *Doe, Re*, 2007 ABASC 296, (Alta. Securities Comm.))
>
> (*Sterling*, *supra* at paras. 173 and 174.)

[39] The Commission has accepted that "conduct related to registrants' activities in matters not related to securities laws may be relevant because it may indicate compromised integrity, particularly where there is a connection between the conduct and the registrant's role and/or position as a securities industry professional." The Commission acknowledged that the conduct of the applicant did not affect his clients, and it was not alleged that the applicant breached Ontario securities laws.

Nevertheless, the Commission found that the applicant lacked integrity and denied the applicant's request for transfer of his registration as a mutual funds dealing representative. (*Istanbul*, *supra*. at paras. 67 and 70.)

[40] It is clear from the foregoing, including, in particular, the provisions of subsection 2.1(2) of the Act, that, before I could grant McKinnon registration as a mutual fund dealing representative, I would have to assess his fitness for registration on the same, or substantially the same, basis as the Director would by considering his integrity, solvency and proficiency. The foregoing would require, at a minimum, detailed written submissions that would provide the information required under the statutory regime relating to registration or a further hearing that would address such requirements.

2. Concerns with Respect to Integrity, Proficiency and Solvency

[41] Staff has raised a number of issues that relate to McKinnon's suitability for registration including issues relating to integrity, proficiency and the solvency of PFAM. Detailed allegations in this regard are set out in the December 21, 2012 Commission Letter, which, as an attachment to the McKinnon Affidavit, forms part of the record relating to the Motion, and, more recently, in the Statement of Allegations. Many of the allegations, if proven, would represent serious breaches of the Act on the part of McKinnon.

[42] McKinnon submits that none of the allegations in the Statement of Allegations pertain to his role as a mutual fund dealing representative but rather to his role as part of the management of a registrant (Transcript of the Motion Hearing, June 30, 2015, p. 17, lines 7-16). McKinnon further submits that there is an absence of evidence in the record to indicate that there are any problems with him serving in the capacity as a mutual fund dealing representative (Transcript of the Motion Hearing, June 30, 2015, p. 19, lines 24-25, p.20, lines 1-2).

[43] Staff submits that, if I was prepared to consider granting the Motion, Staff should be afforded the opportunity to lead evidence with respect to McKinnon's suitability for registration. In this regard, Staff submits that the common element of *Sterling* and *Istanbul* is that registration can only be granted on the basis of a full and complete evidentiary record and refers to the detailed process relating to registration set out in the Act and the related National Instruments.

[44] Based on the foregoing, I conclude that given (i) the serious and comprehensive nature of the allegations against McKinnon; (ii) the detailed level of the investigation and prior inquiries into McKinnon's and PFAM's activities that led to the December 21, 2012 Commission Letter and the Statement of Allegations; and (iii) the need for a detailed evidentiary record relating to McKinnon's suitability for registration, it would not be in the public interest to by-pass the requirements of the Act relating to registration in this matter and, accordingly, that I should not grant the Motion. I should note in this regard that I make no finding with respect to the merits of any of the allegations against McKinnon and PFAM.

3. Motions Prior to the Hearing on the Merits

[45] Although Staff submits that the Commission does not generally conduct preliminary determinations of matters involving disputed evidence separately from the hearing on the merits, it cites with approval the Commission's decisions in *A Re* (2007), 30 O.S.C.B. 6921 ("***A***") and *Mega C Power Corp.(Re)* (2007) 33 O.S.C.B. 8245 ("***Mega C***") in which the Commission determined that it has broad discretion with respect to the adoption of its own procedures which must be exercised with due regard to all circumstances, interests and the rights of the parties.

[46] The Commission's decisions in *A* and *Mega C* set out the following criteria for the purpose of determining whether a motion is appropriate for determination on a preliminary basis or during the hearing on the merits:

> (a) Can the issues raised in the motions be fairly, properly or completely resolved without regard to contested facts and the anticipated evidence that will be presented at the hearing on the merits? In other words, will the evidence relied upon on the motions likely be distinct from, and unique of, the evidence to be tendered at the hearing on the merits?
>
> (b) Is it necessary for a fair hearing that the relief sought in the motions be granted prior to the proceeding on its merits?
>
> (c) Will the resolution of the issues raised in the motions materially advance the resolution of the matter, or materially narrow the issues to be resolved at the hearing on the merits such that it will be efficient and effective to have them resolved in advance of the commencement of the hearing on the merits?
>
> 35 If the answer to any of these questions is "yes", in our view, the Commission should hear the Constitutional Motions as pre-hearing motions, in advance of the Hearing, absent strong reasons to the contrary.

> 36 In contrast, if the answer to all of these questions is "no", the Commission should be reluctant to address the motions as pre-hearing motions, absent strong reasons to the contrary.
>
> (*Mega-C*, *supra* at paras. 34-36.)

[47] Applying the criteria set out in *Mega C* and for the reasons described above:

(a) It will clearly not be possible to fairly, properly and completely resolve the issues raised in the Motion without regard to contested facts and the anticipated evidence that will be presented at the hearing on the merits. In fact, it is likely that the issues relating to the Motion would be almost entirely replicated at the hearing on the merits.

(b) It is not necessary for a fair hearing that the relief sought in the Motion be granted prior to the hearing on the merits.

(c) It will not be possible to resolve the issues raised in the Motion materials without a hearing which would largely replicate the evidence that will be led at the hearing on the merits. As a result, it is unlikely that a hearing on the Motion would either advance or materially narrow the issues to be resolved at the hearing on the merits.

[48] As fairly acknowledged by McKinnon's counsel in his Memorandum of Fact and Law:

> McKinnon is not requesting that the Commission engage in a duplicative process in which Staff would call evidence to attempt to prove their allegations on this motion/application and then subsequently at the merits hearing.

[49] In my view, to grant the Motion would inevitably result in the replication of evidence led in two separate hearings.

VI. CONCLUSION

[50] For the foregoing reasons, the Motion is dismissed.

Dated at Toronto this 11th day of September, 2015.

"Christopher Portner"

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
Asia Now Resources Corp.	11 September 15	23 September 15		
Canadian Quantum Energy Corporation	11 September 15	23 September 15		
Great Lakes Nickel Limited	9 September 15	21 September 15		
Groundstar Resources Limited	11 September 15	23 September 15		
Strateco Resources Inc.	11 September 15	23 September 15		
Veris Gold Corp.	11 September 15	23 September 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
AndeanGold Ltd.	27 August 15	9 September 15	9 September 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
AndeanGold Ltd.	27 August 15	9 September 15	9 September 15		
Razore Rock Resources Inc.	4 September 15	16 September 15			

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Chapter 6

Request for Comments

6.1.1 CSA Staff Notice and Request for Comment 21-315 – Next Steps in Regulation and Transparency of the Fixed Income Market

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice and Request for Comment 21-315
Next Steps in Regulation and Transparency of the Fixed Income Market

September 17, 2015

I. Introduction

This notice describes the steps that Canadian Securities Administrators (**CSA**) staff (**CSA staff** or **we**) are taking to:

- enhance regulation in the fixed income[1] market, and
- identify opportunities to improve market transparency and better protect investor interests.

On April 23, 2015, staff of the Ontario Securities Commission (**OSC**) published a report titled *The Canadian Fixed Income Market 2014* (the **Report**).[2] The Report presented a fact-based snapshot of the $2 trillion fixed income market in Canada, with particular emphasis on the $500 billion in corporate debt outstanding.[3] The Report also highlighted the following:

1. fixed income data available is limited and fragmented across a number of sources, which makes it difficult to conduct a comprehensive assessment of the fixed income market;
2. the secondary fixed income market is a decentralized, over-the-counter market where large investors have significantly more bargaining power than small investors;
3. there is limited adoption of electronic trading and alternative trading systems, especially for corporate bonds; and
4. direct retail participation in the primary and secondary fixed income market is low and retail investors typically access the fixed income market by purchasing investment funds.

The purpose of this notice is to set out the CSA staff's plan to enhance fixed income regulation to:

1. facilitate more informed decision-making among all market participants, regardless of their size;
2. improve market integrity; and
3. evaluate whether access to the fixed income market is fair and equitable for all investors.

Each of these steps is discussed in the sections below.

II. More Informed Decision-Making among All Market Participants

In the Report, OSC staff noted that transparency in the fixed income market is generally limited. Fixed income information is not publicly disseminated like it is in the equity market and is not easily available to market participants. This applies not only to fixed income order and trade information, but also to information regarding the cost of investors' transactions and data relating to fixed

[1] Unless otherwise indicated in this notice, the references to fixed income include both government and corporate fixed income securities.

[2] Available at http://www.osc.gov.on.ca/documents/en/Securities-Category2/20150423-fixed-income-report-2014.pdf.

[3] Data as of December 2014.

income offerings. There is no comprehensive source of reliable trading data available to dealers, investors or regulators. Furthermore, the Report identified the fact that there is more information available to (mainly larger) institutional investors. These investors can leverage their dealer networks to access pre-trade information. However, more limited information is available to smaller institutions and retail investors.

These issues are being addressed by implementing performance reporting requirements, making changes to the System for Electronic Document Analysis and Retrieval (**SEDAR**), and working with the Investment Industry Regulatory Organization of Canada (**IIROC**) to increase post-trade transparency for corporate debt securities. Furthermore, regulators will have access to fixed income data, as described below in this Notice.

1. Implementation of Cost and Performance Requirements in the Client Relationship Model – Phase 2 (CRM 2)

CRM 2 amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) and the rules of IIROC and the Mutual Fund Dealers Association of Canada, when fully implemented by July 2016, will help investors that are clients of dealers and advisers better understand the cost of their fixed income transactions. Specifically, investors will receive information regarding the total amount of any mark-ups, mark-downs, commissions or other service charges they paid, or the total amount of the commissions charged and notification that they already remunerated the dealer firm.[4]

Registered firms (dealers, advisers and investment fund managers) will also be required to deliver investment performance reports to their clients.[5] These reports will include information regarding changes in the market value of investments over a specific time period and total percentage returns for clients' accounts[6] and will provide investors information that would help them assess how their investments, including fixed income investments, performed over time.

2. SEDAR Disclosure

Investors will benefit from enhancements to SEDAR that were implemented earlier in 2015. SEDAR is the electronic system for the official filing of documents by public companies and investment funds across Canada. Its purpose is to facilitate electronic filing of securities information required by the CSA, allow for the public dissemination of that information and provide electronic communication between electronic filers, filing agents and the CSA. As of April 2015, SEDAR has been enhanced to make it easier for investors to find relevant documents for fixed income offerings, especially trust indentures and credit agreements.

Specifically, two new document types have been added to SEDAR:

- documents affecting rights of security holders – trust indentures regarding debt, which include trust indentures and supplemental trust indentures filed in connection with a debt offering; and
- material contracts – credit agreements, which include credit agreements, both in the context of prospectus filings and continuous disclosure filings.

3. Transparency for Fixed Income Securities

As part of the objective to enhance fixed income regulation, CSA staff intend to focus on increasing transparency for corporate debt securities,[7] which is currently mandated in National Instrument 21-101 Marketplace Operation (**NI 21-101**). Specifically, we propose that trade information for all corporate debt securities executed by dealers be made publicly available, subject to delayed dissemination and volume caps, by the end of 2017. This part of the notice outlines the existing regulatory requirements and the steps to be taken to expand transparency for corporate debt securities.

(a) Transparency requirements applicable to fixed income securities

The transparency requirements for fixed income securities are included in Part 8 of NI 21-101.

These requirements mandate the reporting by dealers of order and trade information for fixed income securities to an information processor (as required by the information processor). The information processor is an entity that collects, aggregates and publicly disseminates the data.[8]

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4 Paragraph 14.17(1)(e) of NI 31-103.

5 Subsection 14.18(1) of NI 31-103.

6 Section 14.19 of NI 31-103.

7 A corporate debt security is defined in NI 21-101 as a debt security issued in Canada by a company or corporation that is not listed on a recognized exchange or quoted on a recognized quotation and trade reporting system.

8 The requirements applicable to information processors are outlined in Part 14 of NI 21-101.

(i) Existing transparency requirements for government debt securities and the transparency exemption

NI 21-101 sets out transparency requirements for government debt securities. Specifically, marketplaces and inter-dealer bond brokers are required to report order or trade information, or both, to an information processor. However, an exemption from these transparency requirements is in place and was recently extended until January 1, 2018, through amendments to NI 21-101. As indicated in the notice published with the amendments,[9] no other jurisdiction has mandated transparency for government debt securities. The extension was granted in order to allow CSA staff to monitor international developments, including the expected implementation of the transparency regime that will be established across the European Union by the new Markets in Financial Instruments Directive (**MiFID II**) and the Markets in Financial Instrument Regulation (**MiFIR**) adopted by the European Commission,[10] and to determine whether the NI 21-101 transparency requirements for government debt securities should be implemented or whether changes are appropriate.

(ii) Existing transparency requirements for corporate debt securities

Transparency requirements for corporate debt securities are also included in NI 21-101. For corporate debt securities, marketplaces, inter-dealer bond brokers and dealers are required to report order and/or trade information to an information processor, as required by the information processor. These requirements are currently in force and information is provided to an information processor for corporate debt securities. CanPX Inc. (**CanPX)** has been an information processor for corporate debt securities since 2003.[11] It sets criteria and designates the corporate debt securities (the **Designated Corporate Debt Securities**) for which it receives and disseminates post-trade information from those participants that have at least a 0.5% share of the relevant market.[12] The information disseminated by CanPX is subject to volume caps, which mask the true dollar size of large trades, and is disseminated every hour.

CanPX disseminates trading data through information vendors, which make it available to their clients. It also displays on its website, free of charge, consolidated end-of-day pricing information for the Designated Corporate Debt Securities that traded on the previous day.

(iii) Transparency in other jurisdictions

We note that transparency requirements for corporate debt securities are also mandated in foreign jurisdictions like the U.S., through the Trade Reporting and Compliance Engine (**TRACE**) administered by the Financial Industry Regulatory Authority, and Europe, where MiFID II mandates transparency for corporate bonds admitted to trading on trading venues.[13]

(b) CSA staff's proposal to enhance transparency for corporate debt securities

As noted above, CSA staff's goal is to expand corporate bond transparency. There are two aspects to the plan to achieve this goal. The first is to leverage off the fixed income reporting platform that will be introduced by IIROC starting November 2015 (this platform is described below) and have IIROC act as an information processor under NI 21-101. The second is to expand the transparency of corporate bonds so that information is available for all corporate bonds, subject to a dissemination delay and to volume caps, by the end of 2017.

(i) IIROC as the information processor

We are of the view that we can best achieve the goal of transparency for trades in all corporate debt securities by leveraging IIROC's fixed income reporting platform which is being built to implement IIROC Rule 2800C *Transaction Reporting for Fixed Income Debt Securities* (**IIROC Debt Reporting Rule**).[14] As described in further detail below, such an approach would ensure that a source of historical information for trades in all corporate debt securities is in place, and that market participants report their trade information to a single entity for both regulatory and transparency purposes.

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9 Please refer to CSA Notice of Approval for Amendments to National Instrument 21-101 *Marketplace Operation* available at http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20141023_21-101_amendments.htm.

10 When in force, MiFIR will establish a new transparency regime which extends to bonds, structured products, emission allowances and derivatives.

11 In June 2014, the CSA determined that it was not contrary to the public interest for CanPX to continue to act as an information processor until December 31, 2015. Please see CSA Staff Notice 21-314 *Information Processor for Corporate Debt Securities*, available at https://www.osc.gov.on.ca/en/SecuritiesLaw_sn_20140627_21-314_info-pro-corp-debt.htm.

12 CanPX makes the selection, which is subject to CSA approval, in accordance with a set of selection criteria which are published on its website and which include trading volumes, whether the bonds are included in domestic Canadian corporate bond indices, issues size and whether the bonds are highly liquid. The criteria are found at http://www.canpxonline.ca/selectioncriteria.php. At September 10, 2015, 415 corporate debt securities were included in the list of securities designated by CanPX, which resulted in coverage of 58% of the corporate debt securities traded over a one year period.

13 The MiFID II rules are expected to become effective in January 2017.

14 Available at http://www.iiroc.ca/Rulebook/MemberRules/Rule02800C_en.pdf.

The IIROC Debt Reporting Rule requires IIROC dealer members to report fixed income trade information for all fixed income transactions (government and corporate debt) to IIROC for surveillance purposes. The reporting will be done through IIROC's fixed income trade reporting system, the Market Trade Reporting System (**MTRS 2.0**), and will start on November 1, 2015.[15]

It is CSA staff's intention to use the information reported to MTRS 2.0 relating to corporate debt securities to implement our transparency proposal. Specifically, IIROC will act as an information processor for corporate debt securities[16] under NI 21-101 and will publicly disseminate trade information relating to those securities, subject to a dissemination delay and volume caps (described below).

There are a number of benefits to having IIROC act as the information processor and disseminate corporate bond trade information. Specifically:

- The implementation of the IIROC Debt Reporting Rule is timely, as the reporting by IIROC dealer members to IIROC will start in November 2015 and will be complete by November 1, 2016.
- All fixed income trades executed by IIROC Dealer Members will be reported to IIROC in compliance with the IIROC Debt Reporting Rule. This will ensure the availability of a comprehensive source of corporate debt trade information that will be used to achieve transparency.
- The accuracy and completeness of data will be subject to regulatory oversight, which will ensure the integrity of the data that will be publicly disseminated.
- No additional system development or other efforts on the part of the dealers will be required to provide data to a transparency platform, as they will already be required to provide data to comply with the IIROC Debt Reporting Rule. This will also ensure that there will not be duplicative reporting by dealers.

IIROC fully supports this approach and will actively participate in this transparency initiative.

It is expected that CanPX's status as an information processor will be extended to accommodate a transition period after the first stage of the implementation of the IIROC Debt Reporting Rule. A notice indicating any extension will be published at a later date.

(ii) Expanding transparency for trades in corporate debt securities

The second aspect of the proposed plan to enhance corporate bond transparency is to expand the information available publicly. This will be achieved by making a subset of the information reported through the MTRS 2.0 system publicly available, in accordance with the requirements in NI 21-101. In the near term, the information that will be made publicly available relates to trades in Designated Corporate Debt Securities and trades marked as "retail" in MTRS 2.0. In the longer term, information for all corporate debt securities will be made available. Below, we include a description of the information that will be made transparent and the proposed timelines for implementation of the enhanced transparency framework.

The information reported through MTRS 2.0 that will be made publicly available includes:

- information about corporate debt securities as reported by dealers, as prescribed by NI 21-101; and
- for each corporate debt security, only the data fields that would facilitate more informed decision-making for investors. While we are considering the specific data fields that will be made publicly available, it is our expectation that the information disseminated would include, for each corporate debt security, the name of the security, price, coupon, yield, volume traded (subject to volume caps), the transaction type, indication of whether the trade was an inter-dealer trade or whether it was a client purchase or sale, date and time of the trade, and settlement date.

In the context of reviewing transparency in the corporate debt market, we have met with a variety of stakeholders including both buy-side and sell-side firms. We discussed with them the potential impact of additional transparency on liquidity, and how any potentially negative impact can be mitigated. They indicated that delayed dissemination and volume caps are potential ways to mitigate this impact. We agree, and note that our approach to increase transparency includes the use of such mechanisms to mitigate any possible negative impact of increased transparency. In our view, the approach to increase transparency is a balanced one that addresses the need for information but does so in a way that addresses concerns that too much transparency can impact liquidity. Further detail is provided below.

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[15] In the first stage, effective November 1, 2015, dealers that are Government Securities Distributors (GSDs) and affiliates that are GSDs will be required to report. All other dealers will be required to report their transactions in the second stage, effective November 1, 2016.

[16] In order to be an information processor under NI 21-101, IIROC will file Form 21-101F5 *Initial Operation Report for Information Processor* and will need to be recognized by the Autorité des marchés financiers.

A. Dissemination delay

The information will not be disseminated in real-time. Data reported into MTRS 2.0 is reported to IIROC one day following the trade (T+1).[17] As a result, by basing the platform for corporate debt transparency on MTRS 2.0, the information will be publicly disseminated no earlier than on T+1 and likely, on T+2, in order to give IIROC the time needed to process the information. The timing of the dissemination will be determined and published before the end of 2015, along with the specific data fields related to the information that will be disseminated by IIROC and details regarding the availability of the data.

We recognize that dissemination on a T+2 basis constitutes a longer delay when compared to CanPX's one-hour dissemination delay. However, we are of the view that the availability of a comprehensive source of information that would help achieve transparency for all corporate debt trades, the broader availability of this information to investors, and the efficiency achieved from using MTRS 2.0 for transparency purposes (i.e. dealers will only be required to report their trade data once) are benefits that far exceed the potential impact of a longer delay. We will monitor the dissemination delay with a view to decreasing it over time.

B. Volume caps

The information to be published by IIROC will also be subject to volume caps. This means that, for those trades that have volumes over $2 million for investment grade corporate bonds and $200,000 for non-investment grade corporate bonds, the actual volumes will not be shown in the display. Instead, the volumes will be reflected as $2 million+ and $200,000+, respectively. These volume caps are the same that are used today and are described in the Companion Policy to NI 21-101.[18] The existing volume caps that mask large-volume trades will protect the anonymity of large-sized transactions. Over the long-term, as the MTRS 2.0 data is analyzed, we will determine if the size of the volume caps continues to be appropriate.

C. Proposed timeline to implement post-trade transparency for corporate debt securities

As noted above, it is CSA staff's goal to achieve transparency for trades in all corporate debt securities by the end of 2017. We have considered how to achieve this goal in light of:

- the fact that IIROC will be implementing the IIROC Debt Reporting Rule in two phases (described below); and
- concerns that have been raised globally about a decrease in the liquidity in corporate debt markets, and the potential impact of additional transparency on liquidity.[19]

It is intended that transparency for all corporate debt securities will be phased in over the next two years in two phases, as follows:

- in Phase I (expected to occur in mid-2016), IIROC, as an information processor, will disseminate post-trade information for all trades in the Designated Corporate Debt Securities and for retail trades[20] for all other corporate debt securities reported to IIROC; and
- in Phase II (expected to occur in mid-2017), IIROC will disseminate information for all trades in all corporate debt securities and for new issues of corporate debt.

Each phase is scheduled to occur approximately six months after the completion of each phase of the roll-out of MTRS 2.0.[21] The specific dates of the transparency implementation phases will be confirmed before the end of 2015 and are subject to the readiness of MTRS 2.0 and the corresponding transparency platform.

It is our view that providing for a phased-in approach enables IIROC to facilitate the smooth implementation of the IIROC Debt Reporting Rule and MTRS 2.0 before having to disseminate the information. This will also help mitigate the concerns regarding the impact of increased transparency on liquidity.

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17 The reporting timeframes are set out in subsection 2.5(a) of IIROC Rule 2800C. Trades that occur after 6 p.m. on a business day and trades that occur outside of a business day are reported on T+2.

18 See paragraph 10.1(3)(b) of the Companion Policy to NI 21-101.

19 Specifically, concerns have been raised globally about a potential decrease in the liquidity of the fixed income markets due to a number of factors, including an increase in corporate bond issuances coupled with, some believe, decreases in dealers' inventories resulting from changes in regulation. We have also heard these concerns raised by Canadian buy-side and sell-side firms during our discussions regarding liquidity and transparency.

20 The IIROC Debt Reporting Rule requires that retail trades be identified with a retail indicator.

21 See footnote 15.

III. Improved Market Integrity

Another key theme identified in the Report was the lack of a comprehensive source of reliable trading data available to regulators.

As noted above, IIROC has recently adopted the IIROC Debt Reporting Rule to address this gap. The new requirements will allow regulators to better monitor the market and identify and address market integrity issues. We support these efforts and will oversee the implementation of the IIROC Debt Reporting Rule as it is phased in. We will also analyze the debt transaction data going forward to understand market trends and inform policy decisions.

In addition, we are reviewing whether it is appropriate to require exempt market dealers to report fixed income trade information to IIROC, so that IIROC can establish a comprehensive source of information that would include all relevant market participants. We are also considering whether transparency requirements should apply to that information. We will report on the status of our review and next steps in due course.

IV. Evaluating Access to the Fixed Income Market

Another issue being examined relates to access to the fixed income market. A number of market participants, in particular smaller institutional investors, have raised concerns that they have limited ability to participate in new debt offerings.

In the Report, OSC staff noted that underwriters appear to focus their efforts on marketing bonds to large institutions because these investors:

- purchase larger blocks of inventory, reducing marketing costs and the associated markups;
- provide signaling information that helps the underwriter price the issue appropriately; and
- benefit from cross-selling, where prior relationships reduce marketing efforts.

Regulation for the allocation of initial offerings is found in IIROC's Dealer Member Rule 29 *Business Conduct,* which prohibits allocations of new issues to non-client accounts ahead of clients. This rule does not cover allocations among clients.

To examine this issue, a working group comprised of IIROC and CSA staff has been established. This group will conduct a comprehensive review of dealers' allocation practices among clients to collect data related to how initial debt offerings are allocated between the different market participants and understand how allocations are done. Based on this review, we will determine whether further regulatory action is needed.

V. Conclusion

In this notice, we have set out the steps that CSA and IIROC staff are taking to enhance regulation in the fixed income market and identify opportunities to improve market transparency and better protect investor interests.

We acknowledge that fixed income secondary market trading is complex and our plan covers only a few areas. However, we are of the view that ensuring fixed income data is available to regulators and enhancing corporate debt transparency constitute significant first steps in modernizing the regulatory framework for the fixed income market and is a necessary pre-condition for further policy work in this area.

By having access to a comprehensive source of fixed income data, regulators will be able to properly monitor the trading activity in the fixed income market, identify issues and trends, and determine whether changes to the regulatory framework would be appropriate. With increased transparency, investors will be able to assess the quality of their executions and raise any issues with the dealers or, if applicable, the regulators. We acknowledge the need to balance transparency and liquidity, and are of the view that the plan described above, including the use of delayed dissemination and volume caps, creates that balance.

VI. Deadline for Comments

Please submit your comments on the proposed plan to enhance fixed income regulation and on the timelines for phasing in fixed income transparency on or before November 1, 2015. If you are not sending your comments by email, please send a CD containing the submissions (in Microsoft Word format).

VII. Where to Send Your Comments

Address your submissions to all of the CSA as follows:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority (Saskatchewan)
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Deliver your comments **only** to the addresses below. Your comments will be distributed to the other participating CSA jurisdictions.

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
comments@osc.gov.on.ca

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Fax : 514-864-6381
consultation-en-cours@lautorite.qc.ca

VIII. Comments Received Will Be Publicly Available

Please note that we cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period. In this context, you should be aware that some information which is personal to you, such as your e-mail and address, may appear on certain CSA websites. It is important that you state on whose behalf you are making the submission.

All comments will be posted on the Ontario Securities Commission website at www.osc.gov.on.ca and on the Autorité des marchés financiers website at www.lautorite.qc.ca.

IX. Questions

Questions may be referred to:

Ruxandra Smith
Senior Accountant, Market Regulation
Ontario Securities Commission
ruxsmith@osc.gov.on.ca

Tracey Stern
Manager, Market Regulation
Ontario Securities Commission
tstern@osc.gov.on.ca

Alina Bazavan
Senior Analyst, Market Regulation
Ontario Securities Commission
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Serge Boisvert
Senior Policy Advisor, Direction des bourses et des OAR
Autorité des marchés financiers
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Paula Kaner
Manager, Market Oversight
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Matt Sellers
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slee@bcsc.bc.ca

Douglas MacKay
Manager, Market and SRO Oversight
British Columbia Securities Commission
dmackay@bcsc.bc.ca

Paula White
Deputy Director, Compliance and Oversight
Manitoba Securities Commission
paula.white@gov.mb.ca

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:
Counsel Balanced Portfolio Class
Counsel Conservative Portfolio Class
Counsel Growth Portfolio Class
Counsel North American High Yield Bond
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated September 14, 2015
NP 11-202 Receipt dated September 14, 2015
Offering Price and Description:
Series I and Series O Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
Counsel Portfolio Services Inc.
Project #2397770

Issuer Name:
CPI Card Group Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Long Form PREP Prospectus dated September 4, 2015
NP 11-202 Receipt dated September 8, 2015
Offering Price and Description:
US$ * - *Common Stock
Price: US$ * per Common Stock
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Goldman Sachs Canada Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Scotia Capital Inc.
GMP Securities L.P.
Promoter(s):
-
Project #2382367

Issuer Name:
Emera Incorporated
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated September 14, 2015
NP 11-202 Receipt dated September 14, 2015
Offering Price and Description:
$1,900,000,000.00 - 4.00% Convertible Unsecured Subordinated Debentures represented by Instalment Receipts
Price: $1,000 per Debenture to yield 4.00% per annum
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
J.P. Morgan Securities Canada Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Barclays Capital Canada Inc.
Credit Suisse Securities (Canada) Inc.
Promoter(s):
-
Project #2396591

Issuer Name:
Fairfax Financial Holdings Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated September 8, 2015
NP 11-202 Receipt dated September 8, 2015
Offering Price and Description:
Cdn$5,000,000,000.00
Subordinate Voting Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2396572

Issuer Name:
Lysander TDV Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 11, 2015
NP 11-202 Receipt dated September 14, 2015
Offering Price and Description:
Series A, Series D and Series F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lysander Funds Limited
Project #2397773

Issuer Name:
Noront Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Base Shelf Prospectus dated September 11, 2015
NP 11-202 Receipt dated September 14, 2015
Offering Price and Description:
$50,000,000.00
Debt Securities (unsecured)
Common Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2350359

Issuer Name:
Qwest Energy Flow-Through 2015 Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated September 4, 2015
NP 11-202 Receipt dated September 8, 2015
Offering Price and Description:
Maximum Offering: $20,000,000 - 800,000 Units
Minimum Offering: $2,500,000 - 100,000 Units
Price: $25.00 per Unit
Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Dundee Securities Ltd.
Mackie Research Capital Corporation
PI Financial Corp.
Burgeonvest Bick Securities Ltd.
Global Securities Corporation
Leede Financial Markets Inc.
Woverton Securities Ltd.
Promoter(s):
Qwest Investment Management Corp.
Project #2396569

Issuer Name:
Rainmaker Entertainment Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated September 14, 2015
NP 11-202 Receipt dated September 14, 2015
Offering Price and Description:
Minimum $27,500,000.00 - 78,571,429 Units
Maximum $30,000,000.00 - 85,714,285 Units
Price: $0.35 per Unit
Underwriter(s) or Distributor(s):
Maison Placements Canada Inc.
Promoter(s):
-
Project #2397863

Issuer Name:
TD Managed Aggressive Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Income Portfolio
TD Managed Maximum Equity Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated September 10, 2015
NP 11-202 Receipt dated September 10, 2015
Offering Price and Description:
F-Series and S-Series Units
Underwriter(s) or Distributor(s):
TD Investment Services Inc. (for Investor Series and Premium Series units only)
TD Investment Services Inc. (for Investor Series and Premium Series units)
TD Investment Services Inc. (for Investor Series and e-Series units)
Promoter(s):
TD Asset Management Inc.
Project #2397214

Issuer Name:
Tricon Investment Partners Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated September 10, 2015
NP 11-202 Receipt dated September 10, 2015
Offering Price and Description:
C$140,000,000.00 - * Subordinate Voting Shares
Price: C$* per Subordinate Voting Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
GMP Securities L.P.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Raymond James Ltd.
CIBC World Markets Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
Paradigm Capital Inc.
Promoter(s):
Tricon Capital Group Inc.
Project #2387640

Issuer Name:
Brandes Global Equity Class*
(Series A securities, Series AH securities, Series F securities, Series FH securities, Series K securities, Series KH securities, Series M securities and Series MH securities)
Lazard Global Low Volatility Fund
Greystone Canadian Equity Income & Growth Class*
Sionna Canadian Equity Private Pool*
(Series A securities, Series F securities, Series K securities, Series M securities and Series I securities)
*each a class of shares of Bridgehouse Corporate Class Inc., a mutual fund corporation
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated September 4, 2015
NP 11-202 Receipt dated September 9, 2015
Offering Price and Description:
Series A securities, Series AH securities, Series F securities, Series FH securities, Series I, Series K securities, Series KH securities, Series M securities and Series MH securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investment Partners & Co.
Project #2374364

Issuer Name:
Exchange Income Corporation
Principal Regulator - Manitoba
Type and Date:
Final Short Form Prospectus dated September 10, 2015
NP 11-202 Receipt dated September 10, 2015
Offering Price and Description:
$75,022,150.00 - 3,019,000 Common Shares
Price: $24.85 per common share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Laurentian Bank Securities Inc.
CIBC World Markets Inc.
Raymond James Ltd.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Altacorp Capital Inc.
Promoter(s):
-
Project #2390600

Issuer Name:
Intact Financial Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated September 10, 2015
NP 11-202 Receipt dated September 11, 2015
Offering Price and Description:
$5,000,000,000.00
Debt Securities
Class A Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2395697

Issuer Name:
Keyera Corp.
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated September 9, 2015
NP 11-202 Receipt dated September 10, 2015
Offering Price and Description:
$3,000,000,000.00
Common Shares
Preferred Shares
Subscription Receipts
Debt Securities
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2394418

Issuer Name:
Leith Wheeler Balanced Fund
Leith Wheeler Income Advantage Fund
Leith Wheeler Canadian Dividend Fund
Leith Wheeler Corporate Fixed Income Fund
(Series B Units and Series F Units)
Leith Wheeler High Yield Bond Fund
(Series B Units, Series B (CAD Hedged) Units, Series F Units and Series F (CAD Hedged) Units)
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated August 28, 2015 to the Simplified Prospectuses and Annual Information Form dated May 27, 2015
NP 11-202 Receipt dated September 9, 2015
Offering Price and Description:
Series B Units, Series B (CAD Hedged) Units, Series F Units and Series F (CAD Hedged) Units @ Net Asset Value
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:
Questrade Fixed Income Core Plus ETF
Questrade Global Total Equity ETF
Questrade International Equity ETF
Questrade World Growth and Income ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated September 9, 2015
NP 11-202 Receipt dated September 10, 2015
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Questrade Wealth Management Inc.
Project #2375923

Issuer Name:
Rare Element Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated September 8, 2015
NP 11-202 Receipt dated September 8, 2015
Offering Price and Description:
U.S.$50,000,000.00
Debt Securities
Common Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2386827

Issuer Name:
Sprott Enhanced U.S. Equity Class
(A class of shares of Sprott Corporate Class Inc.)
(Series A, Series AH, Series F, Series FH, Series FT, Series I and Series T Securities)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 4, 2015 to the Simplified Prospectus and Annual Information Form dated June 29, 2015
NP 11-202 Receipt dated September 9, 2015
Offering Price and Description:
Series A, Series AH, Series F, Series FH, Series FT, Series I and Series T Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sprott Asset Management LP
Project #2359011

Issuer Name:
Signature Corporate Bond Corporate Class
(Class A, AT5, AT8, E, ET5, ET8, EF, EFT5, EFT8, F, FT5, FT8, I, IT8, O, OT5, and OT8 Shares)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 8, 2015 to the Simplified Prospectus and Annual Information Form dated July 29, 2015
NP 11-202 Receipt dated September 9, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2359507

Issuer Name:
Vanguard FTSE All-World ex Canada Index ETF
Vanguard FTSE Developed ex North America Index ETF
Vanguard FTSE Developed ex North America Index ETF (CAD-hedged)
Vanguard FTSE Developed Europe Index ETF
Vanguard FTSE Developed Asia Pacific Index ETF
Vanguard FTSE Emerging Markets Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated September 10, 2015 to the Long Form Prospectus dated June 25, 2015
NP 11-202 Receipt dated September 11, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
VANGUARD INVESTMENTS CANADA INC.
Project #2347862

Issuer Name:
WSP Global Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated September 9, 2015
NP 11-202 Receipt dated September 9, 2015
Offering Price and Description:
$174,999,500.00 - 4,142,000 Common Shares
Price: $42.25 per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Raymond James Ltd.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Dundee Securiites Ltd.
Desjardins Securities Inc.
Canaccord Genuity Corp.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2388158

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Mawer Direct Investing Ltd.	Investment Dealer	September 11, 2015
New Registration	Aon Hewitt Investment Management Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	September 8, 2015
Change in Registration Category	Quantus Investment Corp.	From: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager To: Exempt Market Dealer and Portfolio Manager	September 10, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Amendments to Toronto Stock Exchange Company Manual to add Part XI – Requirements Applicable to Non-Corporate Issuers – Notice of Approval

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

AMENDMENTS TO TORONTO STOCK EXCHANGE COMPANY MANUAL TO ADD PART XI – REQUIREMENTS APPLICABLE TO NON-CORPORATE ISSUERS

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 "Public Interest Amendments") to add Part XI – Requirements Applicable to Non-Corporate Issuers to the TSX Company Manual (the "Manual") and to make ancillary amendments to Parts I and VII of the Manual. The Public Interest Amendments were published for comment in a request for comments on January 15, 2015 (the "Request for Comments"). Since the Request for Comments, TSX has made other non-material amendments to Parts III, IV and VI of the Manual (such amendments, together with the Public Interest Amendments, the "Amendments").

Reasons for the Amendments

The Amendments relate to the listing of Exchange Traded Products (also referred to as ETPs), Closed-end Funds and Structured Products, each of which is defined in **Appendix B**.

The Manual is intended to provide a detailed and well-indexed compendium of the requirements applicable to all applicants for listing and all listed issuers to ensure a transparent, fair and orderly market for listed securities. The rules are intended to accommodate issuers that are diverse in size and activity. The rules and requirements currently set out in the Manual are principally designed for corporate entities.

Over the years, the structure and nature of listed issuers has evolved from the more traditional corporate issuers to include issuers and securities such as ETPs, Closed-end Funds and Structured Products. TSX proposed the Public Interest Amendments for transparency and to facilitate the listing of ETPs, Closed-end Funds and Structured Products.

Summary of the Amendments

The following is a summary of the Amendments. The Amendments that relate to matters other than original listing requirements generally codify TSX's existing practice. Non-Corporate Issuers[1] generally have very little transactional activity after initial listing.

Requirement	ETPs	Closed-end Funds	Structured Products
Minimum IPO Raise or Market Capitalization	$1 million	$10 million	$1 million
Distribution	-	1,000,000 freely tradable securities 300 public board lot holders	-

[1] A Non-Corporate Issuer means an ETP, Closed-end Fund and/or Structured Product.

Requirement	ETPs	Closed-end Funds	Structured Products
Principal listing documents	Prospectus (continuous offering)	Prospectus	Base shelf prospectus + Pricing supplement
Board & Management	ETPs other than those issued by Financial Institutions – Issuer or its Manager: CEO, CFO, Secretary and Independent Review Committee ("IRC"). Management responsible for day-to-day operations of the ETP will be reviewed to ensure they meet the requirements of Section 325 of the Manual.	Issuer or its Manager: CEO, CFO + Secretary and IRC. Management responsible for day-to-day operations of the Closed-end Fund will be reviewed to ensure they meet the requirements of Section 325 of the Manual.	Structured Products other than those issued by Financial Institutions – Issuer or its Manager: CEO, CFO, Secretary and two independent directors. Management responsible for day-to-day operations of the Structured Product will be reviewed to ensure they meet the requirements of Section 325 of the Manual. Non-Financial Institutions proposing to list Structured Products are encouraged to have preliminary discussions with TSX in advance of filing a listing application.
Net Asset Value (NAV)	ETPs, Closed-end Funds and Structured Products must have and maintain a publicly accessible website. Issuers must provide TSX with a representation that the NAV will be calculated no less frequently than daily for ETPs, as required under applicable securities law for Closed-end Funds and weekly for Structured Products and will be made available to the public on such website.		

Requirements applicable to transactions

Requirement	ETPs	Closed-end Funds	Structured Products
Issuance of Securities (General)	Immediate notification to TSX of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities.	Immediate notification to and pre-approval by TSX of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.	
Additional Listing	Any creation of securities to be effected in accordance with constating documents and National Instrument 81-102 – *Investment Funds* if applicable. No prior approval required from TSX for issuance or potential issuance of securities of a class already listed on TSX. Issuers will provide TSX with a legal opinion or officer's certificate on a quarterly basis for all new security issuances during the previous quarter.	The issuance of additional securities should be at a price that yields net proceeds per security of no less than 100% of the most recently calculated NAV per security calculated prior to the pricing of such issuance other than by way of distributions to all security holders on a pro rata basis.	

Requirement	ETPs	Closed-end Funds	Structured Products
Supplemental Listings	The minimum distribution requirement is the prescribed number of units if the new class of securities is convertible into a currently listed class of securities. If the new class of securities is not convertible into an already listed class of securities then the minimum requirements for an original listing apply.	The minimum market value is $2 million for the new class of securities provided that such securities are convertible into a currently listed class. There must also be at least 100,000 publicly held securities by at least 100 public board lot holders at the time of listing. If the new class of securities is not convertible into an already listed class of securities, then the minimum requirements for an original listing apply.	N/A*
Dividends & Other Distributions	In accordance with Sections 428 – 435 of the Manual. Due Bill trading will not apply to special distributions to be paid in securities where the securities to be distributed are immediately consolidated after the distribution, resulting in no change to the number of securities held by security holders. For distributions that are payable in securities, and where those securities will be re-invested and the resulting securities immediately consolidated so that the number of securities held by each investor will not change, TSX will require issuers to press release the estimated distribution amount four days prior to the declared record date. Upon determination of the exact amount of any estimated distribution, the issuer must disseminate the final details by news release.		
Management Fees	Any management fees payable with securities issued from treasury will be subject to Section 613 of the Manual – *Security Based Compensation Arrangements*.		
Security holder Approval	In addition to the matters requiring security holder approval under Section 5.1 of NI 81-102 – *Investment Funds*, security holder approval may be required for the following items: (i) Any amendments to the issuer's constating documents (or equivalent) that are not covered by the amendment provisions of such documents that materially affect the rights of security holders; and (ii) Extension beyond the originally contemplated termination date, unless security holders are given an opportunity to redeem securities at NAV within three months of the originally contemplated termination date and notice of the extension at least 30 days prior to the redemption deadline.		
Termination/ Voluntary Delisting	Unless they have a fixed termination date, TSX will require that all Closed-end Funds, ETPs and Structured Product issuers provide 30 days' notice to security holders. Voluntary delistings in accordance with Section 720 of the Manual.		
Notification to TSX	Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders.		
Continued Listing Requirements	N/A	$3 million per Closed-end Fund 150 public board lot holders	N/A
Personal Information Forms (PIFs)	Directors and officers of the issuer, the manager or management responsible for day-to-day operations will be required to submit a PIF for any original listing and a Form 3 – Change in Officers/Directors/Trustees for any changes once a Non-Corporate issuer is listed. Clearance valid for one year. PIF valid for three years.		

* A supplemental listing by issuers of Structured Products will be reviewed as an Original Listing.

TSX received nine (9) comment letters in response to the Request for Comments. A summary of the comments submitted, together with TSX's responses, is attached as **Appendix A**. TSX respects the public comment process and appreciates the value such public input provides. TSX thanks all commenters for their submissions. As a result of the comment process, TSX has made non-material changes to the Amendments. These non-material changes include revising the definition of "Closed-end Fund", reducing the market capitalization requirement for Closed-end Funds, clarifying when TSX may require security holder approval for amendments to the constating documents (or equivalent) of ETPs and Closed-end Funds, clarifying which materials sent to security holders must be pre-cleared with TSX and requiring Closed-end Funds to calculate NAV no less frequently than required under applicable securities law.

TSX is also repealing Section 604(g) of the Manual because the Canadian Securities Administrators (the "CSA") have amended the requirements for Closed-end Funds that propose to merge with another Closed-end Fund or convert into an open-ended mutual fund trust. The CSA rules impose the same requirements as Section 604(g), making this section of the Manual redundant. TSX is also clarifying the notification requirements in Sections 428 to 430 of the Manual for Non-Corporate Issuers instead of including these notification requirements in Part XI. Finally, TSX has made ancillary changes to Part III and the Original Listing Application to reflect the addition of Part XI to the Manual.

A blacklined version of the Amendments is available at **Appendix C**. The blacklined version of the Amendments shows the changes since publication of the Request for Comments.

Text of the Amendments

The final Amendments are attached as **Appendix B.**

Effective Date

The Amendments will become effective on September 17, 2015 (the "Effective Date"). The original listing requirements in Sections 1101 to 1105 of the Amendments will not have any retroactive effect, so that any Non-Corporate Issuer listed before the Effective Date will continue to be listed in the category under which it was originally listed.

APPENDIX A

SUMMARY OF COMMENTS AND RESPONSES

List of Commenters:

Borden Ladner Gervais LLP (BLG)	Invesco Canada Ltd. (Invesco)
Canadian Exchange-Traded Fund Association (CETFA)	Portfolio Management Association of Canada (PMAC)
Global Digit II Management Inc. (GD-II)	RBC Global Asset Management Inc. (RBC GAM)
Fasken Martineau DuMoulin LLP (Fasken)	Two commenters requested confidentiality (Confidential Comment Letter)

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the Request for Comments.

Summarized Comments Received	TSX Response
1. Are the proposed original listing requirements for ETPs, Closed-end Funds and Structured Products appropriate? In particular, are the proposed minimum initial public offering conditions appropriate?	
Commenters were generally supportive of the original listing requirements for ETPs, Closed-end Funds and Structured Products (BLG, CETFA, Confidential Comment Letter, Invesco, PMAC, RBC GAM).	TSX thanks these commenters for their input.
One commenter submitted that a minimum market capitalization lower than $1 million for ETPs could be justified given the way additional ETPs are continuously created and redeemed, and requested that TSX continue to monitor market developments in this regard (Invesco).	TSX thanks this commenter for its input. TSX intends to monitor market developments in this area.
One commenter submitted that the minimum market capitalization requirement for Closed-end Funds in Section 1103 should be reduced to $10 million from $20 million. This commenter stated that the $20 million minimum became the standard during a different Closed-end Fund market, during which the average deal size was in the hundreds of millions of dollars. With the increased variety of investment offerings, the average size of Closed-end Fund offerings has declined. A minimum $20 million market capitalization requirement creates deal uncertainty and a "chilling effect" because investment advisors do not recommend the investment to clients until the minimum is achieved. Conversely, a minimum market capitalization requirement of $10 million would remove the uncertainty regarding whether the offering will close, resulting in a greater number of larger, more liquid transactions, while reducing the number of withdrawn transactions. While it may not be profitable to manage a fund that raises less than $20 million, managers would be satisfied if a few funds raise less than $20 million as long as, on average, fund raises are large enough to be profitable. Additionally, a $10 million market capitalization requirement ensures sufficient liquidity and trading in the secondary market (Confidential Comment Letter).	TSX has reduced the minimum capitalization requirement in Section 1103 to $10 million. TSX proposed a minimum capitalization requirement of $20 million because it understood that Closed-end Fund issuers would typically not list a fund if they were unable to raise at least $20 million, as it would be unprofitable to manage a publicly-listed fund with an asset base of less than $20 million. However, TSX acknowledges that this requirement may inadvertently create uncertainty and a chilling effect on Close-end Fund offerings. TSX agrees that a minimum capitalization requirement of $10 million will ensure sufficient liquidity in the secondary market.
2. For Closed-end Funds that do not calculate NAV on a daily basis, what is a reasonable time period within which they should be required to price an offering of additional listed securities?	
One commenter submitted that a reasonable time period would be to price the offering within seven days. This commenter advised that the offering price for a listing of	TSX thanks this commenter for its input. As set out in the response below, TSX believes that the price for an offering of additional listed securities should be done with reference to

additional securities is also subject to negotiation among the underwriters and management to ensure the offering price is not dilutive to existing holders (Confidential Comment Letter).	the most recently calculated NAV per security.
A number of commenters questioned the anti-dilution requirement for additional listings by Closed-end Funds in Section 1107(b)(iv) (BLG, Fasken). One commenter advised that declarations of trust and National Instrument 81-102 *Investment Funds* ("NI 81-102") already address the issuance of additional securities by Closed-end Funds, and TSX should not impose further requirements in this regard (BLG). Another commenter submitted that the appropriate manner of regulating the pricing of offerings is to require issuers to price based on the most recently calculated NAV and prior to the next calculated NAV, and that this timeframe is appropriate whether the issuer calculates its NAV daily or less frequently (Fasken).	TSX agrees that the price for an offering of additional listed securities should be done with reference to the most recently calculated NAV per security and prior to the next calculated NAV per security, whether or not the issuer calculates NAV daily or less frequently. TSX has revised Section 1107(b)(iv) to clarify that all additional issuances must close within 30 days of the pricing of the issuance.
One commenter submitted that the TSX acceptance timeframes set out in Section 607(c) of the Manual should continue to apply to private placements effected by Non-Corporate Issuers and therefore should be carved out of, or built into, the timeframe set out in Section 1107(b)(ii). This commenter submitted that there are no additional policy concerns that would distinguish Non-Corporate Issuers from other TSX-listed issuers in the case of private placements (Fasken).	The timeframes for Non-Corporate Issuers generally align with the private placement timeframes for corporate issuers under Section 607. TSX agrees that there are no additional policy concerns for Non-Corporate Issuers, but in TSX's experience a Non-Corporate Issuer is unlikely to have the same urgency a corporate issuer might have in closing a private placement. Therefore, TSX does not believe a framework for an expedited review is necessary in Part XI.
3. For Closed-end Funds, is it appropriate to require new funds to publish a daily NAV on their website? Should exemptions be made for certain fixed-income funds or alternative asset funds?	
A number of commenters submitted that it is not appropriate to require new funds to publish a daily NAV. These commenters submitted that the publication requirements in applicable securities law are sufficient (Confidential Comment Letter, Fasken). The requirement to calculate a daily NAV when not required by applicable securities law would increase costs and the management expense ratio for Closed-end Funds without providing additional benefit to security holders (Confidential Comment Letter). Should TSX require new funds to publish a daily NAV, TSX should consider exemptions for funds that invest in asset classes where prices are more time consuming to determine or costly to obtain (Confidential Comment Letter).	TSX thanks these commenters for their input. TSX agrees that the Manual requirement regarding the calculation of NAV by Closed-end Funds should align with the requirements in applicable securities law. TSX has revised Section 1103(b) in this regard.
One commenter submitted that Section 1103(a) should be revised to require Closed-end Funds to calculate and publish their NAV with the same frequency required by securities regulators. This commenter noted that it has been granted exemptive relief by securities regulators allowing it to calculate and publish its NAV twice a month, and such a revision to Section 1103(a) would prevent conflicts between TSX requirements and the requirements of securities regulators (GD-II).	TSX thanks this commenter for its input. As discussed above, TSX has revised Section 1103(b) to require the calculation of NAV as required under applicable securities law, including any exemptive relief granted by securities regulators from the applicable requirements.
4. Does Independent Review Committee approval for fund mergers provide any value to the TSX? Is there any other way to provide comfort to TSX, when security holder approval is not sought, that the merger of two funds is fair and reasonable for current security holders of both funds?	
A number of commenters submitted that the requirements of NI 81-102 provide substantial comfort for TSX with respect to the approval of Closed-end Fund and ETP mergers and no additional rules are necessary in the Manual. Depending on the circumstances, NI 81-102 requires Independent Review	TSX agrees that the requirements of NI 81-102 provide substantial comfort regarding the approval for fund mergers and no additional rules are necessary in the Manual. TSX notes that Section 604(g) of the Manual is duplicative of

Committee as well as regulatory and/or shareholder approval for fund mergers. In addition, National Instrument 81-107 *Independent Review Committee for Investment Funds* provides further protections in this regard. These requirements, along with TSX's own review of the transaction, provide TSX with comfort regarding whether the merger of two funds is a fair and reasonable result for security holders of both funds and additional rules are not necessary (CETFA, Confidential Comment Letter, RBC GAM).	the requirements in NI 81-102 and, therefore, has been repealed.
5. Should TSX require security holder approval for any other matters for ETPs, Closed-end Funds and Structured Products?	
A number of commenters submitted that TSX should not require security holder approval for any other matters for Closed-end Funds or ETPs (CETFA, Confidential Comment Letter, RBC GAM).	TSX thanks these commenters for their input. TSX agrees and has not added additional security holder approval requirements to the Amendments.
A number of commenters submitted that the security holder approval requirement Section 1111(i) of the Amendments is too broad because it requires security holder approval of any amendments to the articles of incorporation or declaration of trust of a Non-Corporate Issuer not covered by the "general amendment provisions thereof". Commenters submitted that the terms of constating documents and NI 81-102 already address the circumstances under which security holder approval must be sought and it is not necessary for TSX to require security holder approval for additional matters. The requirement for security holder approval will impose greater costs on Non-Corporate Issuers (BLG, CETFA, Fasken, Invesco, PMAC, RBC GAM). Some commenters submitted that if there are specific amendments to constating documents that TSX is attempting to capture through Section 1111(i), TSX should revise Section 1111(i) to clarify the intended amendments (BLG, CETFA, Fasken, Invesco, PMAC).	TSX agrees that the language in the proposed Section 1111(i) potentially captured amendments that TSX does not believe should require security holder approval. However, NI 81-102 does not address all circumstances under which TSX may require security holder approval. For example, TSX would consider amendments to redemption rights or the redemption price to be amendments that require security holder approval. Therefore, TSX has revised Section 1111(i) to provide that TSX may require security holder approval for any amendments to an ETP's or Closed-end Fund's constating documents (or equivalent) that are not covered by the general amendment provisions of such documents and that materially affect the rights of security holders.
One commenter submitted that Section 1111(ii) should be revised to clarify that a redemption right within three months of the originally contemplated termination date is acceptable rather than requiring Closed-end Funds to offer security holders a redemption right for proceeds equal to NAV on or about the original contemplated termination date before extending the term of the fund. The commenter submitted that a three month timeframe is appropriate provided security holders are notified by press release of the final NAV-based redemption at least 30 days prior to the deadline for exercising the redemption rights. As most Closed-end Funds provide security holders with the right to redeem at NAV once annually, this change would mean such funds would not be required to offer two such rights in rapid succession (Fasken).	TSX agrees that if there has been a redemption right within three months of the originally contemplated termination date and notice of the extension at least 30 days prior to the deadline for exercising the redemption rights, there is no need to offer another redemption right before extending the term of the fund. TSX has revised Section 1111(ii) accordingly.
6. Are the proposed continued listing requirements appropriate?	
A number of commenters submitted that the requirement in Section 1113 for Non-Corporate Issuers to pre-clear any materials sent to security holders, other than continuous disclosure documents, is too broad. These commenters submitted that Non-Corporate Issuers are required send materials to security holders that are not considered continuous disclosure documents and it is unclear whether	TSX thanks these commenters for their input. TSX has revised Section 1113 to clarify that Non-Corporate Issuers must pre-clear information circulars and other security holder materials related to corporate actions (for example, redemptions, consolidations or stock splits). TSX has revised Section 1113 to provide that Non-Corporate Issuers must provide draft materials to TSX for review at least five

Section 1113 requires issuers to pre-clear these materials with TSX. Commenters submitted that Section 1113 should be clarified to identify specific types of materials that require TSX pre-clearance (BLG, CETFA, Confidential Comment Letter, Fasken, Invesco, PMAC, RBC GAM). A number of commenters submitted that Section 1113 should be revised to reflect the pre-clearance process, including the number of days TSX requires to review such material (CETFA, PMAC).	business days in advance of finalization of the materials.
A number of commenters submitted that Section 1107(a)(ii), which requires an opinion of legal counsel that all securities issued during the previous quarter have been validly issued as fully paid and non-assessable securities, should be revised to reflect recent guidance provided by TSX that TSX will also accept a senior officer's certificate that such securities have been validly issued as fully paid and non-assessable if the issuer's governing statute and/or constating documents provide that all such securities are issued as fully paid and non-assessable (CETFA, Invesco, RBC GAM). One commenter submitted that TSX should not require an opinion of legal counsel under Section 1107(a)(ii) and should only require the submission of a Form 1 – Change in Outstanding and Reserved Securities ("Form 1"). The requirement for a legal opinion does not offer comfort to TSX in addition to what is submitted in the Form 1 because legal counsel relies solely on certificates of the manager and transfer agent when providing such opinions (BLG).	TSX has revised Section 1107(a)(ii) to require ETPs to provide the Exchange on a monthly basis a Form 1 and on a quarterly basis either an opinion of legal counsel that all securities issued during the previous quarter have been issued as fully paid and non-assessable securities of the ETP or, if the ETP's governing corporate law and/or constating documents include a provision stating that all securities must be issued as fully-paid and non-assessable, a certificate of a senior officer confirming the number of securities of the ETP created and reported to the Exchange in the previous quarter and that full consideration for such securities was received prior to or concurrently with their issuance.
A number of commenters questioned the requirement in Sections 1102, 1103 and 1104 for the Manager of a Non-Corporate Issuer to have adequate and appropriate experience in the asset management industry, as determined by TSX. These commenters submitted that Canadian securities regulators impose registration requirements on managers of investment funds and TSX should rely on the regulation of investment fund managers by these regulators without imposing additional requirements (BLG, CETFA). Should TSX impose additional requirements, TSX should provide specific requirements for what constitutes adequate and appropriate experience in the asset management industry (BLG, Fasken).	TSX thanks these commenters for their input. When determining whether a Non-Corporate Issuer is eligible for listing on the Exchange, TSX will review whether, in addition to complying with registration requirements under applicable securities law, Managers have appropriate experience with listed issuers. TSX has revised Sections 1102, 1103 and 1104 to clarify that the Manager must have appropriate listed issuer experience. TSX notes that pursuant to Section 325 of the Manual, the Exchange must be satisfied that the rules and regulations of the Exchange and all other regulatory bodies having jurisdiction will be complied with. TSX notes that this requirement is consistent with its current practice regarding original listings of Non-Corporate Issuers.
A number of commenters submitted that the requirement in Section 1108(ii)(4) for an opinion of legal counsel that securities issued pursuant to a supplemental listing have been validly issued as fully paid and non-assessable should be revised to reflect that TSX will accept a senior officer's certificate that such securities have been so issued if the issuer's governing statute and/or constating documents provide that all securities issued by the issuer are issued as fully paid and non-assessable (CETFA, RBC GAM).	TSX thanks these commenters for their input. When listing a new class of securities that is not already listed, TSX will require an opinion of legal counsel that such securities have been validly issued as fully paid and non-assessable and will not accept a senior officer's certificate. Given the lower risk profile, limited involvement of legal advisors and repetitive nature of additional listings, TSX will accept a certificate of a senior officer only for additional listings of securities offered on a continuous basis by ETPs as provided in Section 1107(a)(ii) and described above.
7. Are there any other rules or requirements contained in the Manual that should be adapted to better suit ETPs, Closed-end Funds and Structured Products?	
While most commenters did not identify other rules or requirements in the Manual that should be adapted to better suit ETPs, Closed-end Funds and Structured Products, one commenter submitted that the prohibition in Section 629(l)(8) of the Manual against an issuer purchasing securities	TSX thanks the commenter for its input. Changes to the normal course issuer bid rules in Sections 628 to 629.3 are outside the scope of the Amendments. TSX will take this commenter's suggestion under advisement.

pursuant to a normal course issuer bid ("NCIB") at the opening of a trading session or during the last 30 minutes of a trading session should not apply to Closed-end Funds. This commenter submitted that Section 629(l)(1) of the Manual prohibits issuers from making purchases pursuant to an NCIB at a price higher than the last independent trade of a board lot of the securities subject to the NCIB. Given this restriction and the inability of a Closed-end Fund to purchase at a price higher than the last published NAV, it is not necessary to prevent a Closed-end Fund from participating at the opening of the trading session or in the last 30 minutes of the trading session (Confidential Comment Letter).	TSX also notes that the normal course issuer bid rules are subject to additional oversight by the CSA given the framework for the issuer bid exemption under Canadian securities law.
Other Comments	
One commenter submitted that the definition of "Closed-end Fund" is broadly worded and would lead to uncertainty regarding what entities may be captured. It would be preferable to more specifically define the category by using the definition of "non-redeemable investment fund" in the *Securities Act* (Ontario). If the intent is different from the definition of "non-redeemable investment fund", the definition of "Closed-end Fund" should better clarify the breadth of that intention (Fasken).	TSX agrees and has amended the definition of "Closed-end Fund" in the Manual to correspond to the definition of "non-redeemable investment fund" in the *Securities Act* (Ontario). TSX notes that it retains the discretion to determine whether an issuer will be considered a Closed-end Fund, regardless of whether it qualifies as a "non-redeemable investment fund" under the *Securities Act* (Ontario).
One commenter submitted that instead of using the term "Non-Corporate Issuer", a term such as "Investment Product" may be preferable. The commenter advised that some Closed-end Funds are corporations, so the defined term should not imply that it excludes corporations (Fasken).	TSX thanks this commenter for its input. The term "Non-Corporate Issuer" is meant to indicate that the issuer has not applied for listing pursuant to Sections 309 or 309.1 of the Manual and is not meant to exclude Closed-end Funds that are corporations. Therefore, TSX has not changed the term "Non-Corporate Issuer" in the new Part XI of the Manual.

APPENDIX B

TEXT OF FINAL AMENDMENTS

Part I – Interpretation

Part I will be amended by adding each of the following definitions:

"**Closed-end Fund**" has the same meaning as "non-redeemable investment fund" as found in the OSA. TSX, in its discretion, shall determine if an issuer will be considered a Closed-end Fund;

"**Exchange Traded Product**" or "**ETP**" means redeemable equity securities ("**Exchange Traded Fund**" or "**ETF**") or debt securities ("**Exchange Traded Note**" or "**ETN**") offered on a continuous basis under a prospectus, which give an investor exposure to the performance of specific indices, sectors, managed portfolios or commodities through a single security. TSX, in its discretion, shall determine if the securities will be considered an ETP;

"**Financial Institution**" means a financial institution regulated by the Office of the Superintendent of Financial Institution ("**OSFI**") or, if a foreign financial institution, regulated by a regulatory body equivalent to OSFI with not less than $150 million market capitalization;

"**Manager**" means a person or company who is a registered investment fund manager;

"**Non-Corporate Issuer**" means an ETP, Closed-end Fund and / or Structured Product; and

"**Structured Product**" means securities generally issued by a Financial Institution under a base shelf prospectus and pricing supplement where an investor's return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. TSX, in its discretion, shall determine if the securities will be considered a Structured Product.

A new section, Part XI, will be added to the Manual, as follows:

PART XI – REQUIREMENTS APPLICABLE TO NON-CORPORATE ISSUERS

This section sets out the requirements that are specifically applicable to Non-Corporate Issuers.

In addition to the specific requirements outlined in this Part XI, Non-Corporate Issuers must also comply with the following sections of the Manual:

Part IV – MAINTAINING A LISTING

All Sections, other than Shareholders' Meeting and Proxy Solicitation (Sections 455 - 465)

Part VI – CHANGES IN CAPITAL STRUCTURE

(A) Discretion (Section 603), Security Holder Approval (Section 604), Changes in Issued Securities (Section 605)

(C) Security Based Compensation Arrangements (Section 613)

(F) Substitutional Listings (Sections 618 - 622)

(I) Redemption of Listed Securities (Section 625)

(L) Normal Course Issuer Bids (Sections 628 - 629)

Part VII – HALTING, SUSPENSION AND DELISTING

All Sections, other than Market Value and Public Distribution (Section 712)

Part IX – DEALING WITH THE NEWS MEDIA

All Sections

A. Original Listing Requirements

1101. Introduction

This section outlines the minimum listing requirements for each of ETPs (Section 1102), Closed-end Funds (Section 1103) and Structured Products (Section 1104), as defined under Part I of the Manual.

The Exchange generally expects that an original listing application of a Non-Corporate Issuer will be accompanied by a prospectus which will be concurrently or has been recently filed with the OSC. The Exchange recommends that prospective applicants without a prospectus obtain a preliminary opinion from TSX as to their eligibility for listing.

These minimum listing requirements should be read in conjunction with the Section 325, which sets out the Exchange's requirements regarding the quality of management.

These minimum listing criteria have been designed as guidelines and the Exchange reserves the right to exercise its discretion in applying them. This discretion may well take into consideration facts or situations unique to a particular applicant, resulting in the granting or denial of a listing application notwithstanding the published criteria.

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed issuers, including policies described in Part III.

Please refer to Sections 338 to 360 for the Listing Application Procedure.

1102. Requirements for ETPs

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least $1,000,000;

(b) **NAV.** NAV must be calculated no less frequently than each trading day and be made available on a publicly accessible website; and

(c) **Management.** If the ETP is not issued by a Financial Institution, the ETP or its Manager must have a CEO, CFO (who is not also the CEO), Secretary and an IRC. The ETP or its Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. For ETPs issued by Financial Institutions, individuals responsible for day-to-day management and operations of the ETP must be identified. TSX must be satisfied that management of the ETP, the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

1103. Requirements for Closed-end Funds

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least $10,000,000;

(b) **NAV.** NAV must be calculated no less frequently than required under applicable securities law and be made available on a publicly accessible website;

(c) **Public distribution.** At least 1,000,000 freely tradable securities must be held by at least 300 public holders, each holding one board lot or more; and

(d) **Management.** The Closed-end Fund or its Manager must have a CEO, CFO (who is not also the CEO), a Secretary and an IRC. The Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. TSX must be satisfied that management of the Manager will fulfill the requirements of Section 325 of the Manual.

1104. Requirements for Structured Products

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least $1,000,000;

(b) **NAV.** NAV must be calculated no less frequently than weekly and be made available on a publicly accessible website; and

(c) **Management.** If the Structured Product is not issued by a Financial Institution, the issuer or its Manager must have at least two independent directors, a CEO, CFO (who is not the CEO), and a Secretary. The Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. For Structured Products issued by Financial Institutions, individuals responsible for the management and day-to-day operations of the Structured Product must be identified. TSX must be satisfied that management of the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

Prior to filing a listing application, the Exchange recommends that issuers other than Financial Institutions proposing to list Structured Products obtain a preliminary opinion as to the eligibility for listing.

1105. Listing Related Procedures

Please refer to Sections 338 to 360.

B. Changes in Capital Structure

1106. General

(a) **ETPs**

Every listed ETP shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities. ETPs are not required to provide prior notification to the Exchange of the issuance or potential issuance of listed securities offered on a continuous basis.

(b) **Closed-end Funds and Structured Products**

Every listed Closed-end Fund and Structured Product shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.

1107. Additional Listings

(a) **ETPs**

(i) The creation of any securities of an ETP must be effected in accordance with its constating documents and National Instrument 81-102 – *Investment Funds*, if applicable; and

(ii) ETPs must provide the Exchange on a monthly basis a Form 1 – Change in Outstanding and Reserved Securities and on a quarterly basis either (A) an opinion of counsel that all securities issued during the previous quarter have been validly issued as fully paid and non-assessable securities of the ETP, or (B) if the ETP's governing corporate law and/or constating documents include a provision stating that all securities must be issued as fully-paid and non-assessable, a certificate of a senior officer confirming the number of securities of the ETP created and reported to the Exchange in the previous quarter and that full consideration for such securities was received prior to or concurrently with their issuance.

(b) **Closed-end Funds and Structured Products**

(i) A Closed-end Fund or Structured Product may not proceed with a Subsection 1106(b) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).

(ii) TSX will advise the Closed-end Fund or Structured Product in writing generally within seven (7) business days of receipt by TSX of the notification required under Subsection 1106(b), of its decision to accept or not to accept the notice, indicating any conditions of acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(iii) Where a Closed-end Fund or Structured Product proposes to enter into transaction which requires notification under Subsection 1106(b), any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(iv) The issuance of additional listed securities must yield net proceeds per security to the issuer of no less than 100% of the most recently calculated NAV per security, calculated prior to the pricing of such issuance, other than distributions to all security holders on a pro rata basis. All transactions must close within 30 days of the pricing of such issuance.

(v) Closed-end Funds and Structured Products must notify the Exchange whether an "if, as, and when issued" market may be requested.

1108. Supplemental Listings

An ETP or Closed-end Fund proposing to list securities of a class that is not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one copy of the preliminary prospectus describing the provisions of the securities. The Exchange recommends that ETPs and Closed-end Funds without a preliminary prospectus contact the Exchange to obtain a preliminary opinion as to the eligibility to list the supplemental securities.

Structured Product issuers proposing to list securities of a class that is not already listed will be considered under original listing requirements set out in Section 1104, other than the Management requirements in Subsection 1104(c).

If TSX conditionally approves the listing of the securities:

(i) This fact may be disclosed in the final prospectus or in other documents, in accordance with Section 346, and TSX will so advise the securities regulatory authorities.

(ii) The following documents must be filed with TSX within ninety (90) days of its conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):

(1) a notarial or certified copy of the resolution of the board of directors (or equivalent body) of the ETP, Closed-end Fund or the Manager (as the case may be) authorizing the application to list the securities;

(2) a notarial or certified copy of the amended declaration of trust or equivalent document, giving effect to the creation of the securities;

(3) one commercial copy of the final prospectus, or other offering document, if applicable;

(4) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

(5) a definitive specimen of the generic or customized security certificate, if any, in accordance with the requirements set out in Appendix D;

(6) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to the securities (see Section 350); and

(7) for Closed-end Funds, evidence of satisfactory distribution of the securities to be listed, which evidence may take the form of a letter from the underwriters/agents setting out the anticipated distribution of the securities based on the subscriptions received as of the date of the letter and that, at the time of listing, the distribution requirements set out in Section 1108(b)(i) or (ii) will be met.

(a) **ETPs**

(i) If the new class of securities to be listed is convertible into a currently listed class of securities, the number of securities of the new class must be not less than the minimum prescribed number of units determined by the Manager.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for ETPs found in Subsections 1102 (a) and (b) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

(b) **Closed-end Funds**

(i) If the new class of securities to be listed is convertible into a currently listed class of securities: (1) the market value of the securities of the new class listed must not be less than $2,000,000; and (2) at least 100,000 freely tradeable securities must be held by at least 100 public holders, each holding one board lot or more.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for Closed-end Funds in Subsections 1103 (a), (b) and (c) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

1109. Dividends and Other Distributions

Refer to Sections 428 to 435 of the Manual for the requirements applicable to dividends and other distributions.

1110. Management Fees

Any management fees payable in respect of a Non-Corporate Issuer providing for an issuance of securities from treasury will be subject to the requirements of Section 613 of the Manual.

1111. Security Holder Approval for Amendments

For ETPs and Closed-end Funds, in addition to the matters requiring security holder approval pursuant to Section 5.1 of NI 81-102 – *Investment Funds* and as otherwise required by the Manual, the Exchange may require security holder approval for:

(i) any amendments to the constating documents (or their equivalent) that are not covered by the amendment provisions of such documents and that may materially affect the rights of security holders; and,

(ii) the extension of an ETP or Closed-end Fund beyond the originally contemplated termination date, unless security holders are provided with: (a) the opportunity to redeem securities at NAV within three (3) months of the originally contemplated termination date; and (b) notice of the extension at least thirty (30) days prior to the redemption deadline.

1112. Termination / Voluntary Delisting

Unless a Non-Corporate Issuer has a fixed termination date, the Non-Corporate Issuer must provide security holders with at least 30 days' notice prior to termination.

A Non-Corporate Issuer wishing to have all or any class of its listed securities voluntarily delisted from TSX should refer to Section 720 of the Manual.

1113. Preclearance of Materials with the Exchange

Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders at least five business days in advance of finalization of the materials.

1114. Continued Listing Requirements

Please refer to Part VII of the Manual. All of Part VII of the Manual applies to Non-Corporate Issuers, except for (D) – Delisting Criteria (Section 712).

The securities of Closed-end Fund may be suspended or delisted if:

(i) the market value of its securities listed on TSX is less than $3,000,000 over any period of 30 consecutive trading days;

(ii) the number of freely-tradable, publicly held securities is less than 500,000; or

(iii) the number of public security holders, each holding a board lot or more, is less than 150.

The securities of an ETP or Structured Product may be suspended or delisted if, in the opinion of the Exchange, the continued listing of such securities would not be consistent with preserving the overall quality of the market. In making its determination, the Exchange will consider factors about the securities, including the following and any other relevant considerations:

(i) the level of trading;

(ii) the market value;

(iii) in the case of an ETF, the absence of a designated broker;

(iv) in the case of a Structured Product, where the Financial Institution (or other similar institution) that has issued the Structured Product has ceased to act as a market maker for the Structured Product; and

(v) the bid and ask spread.

No set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if, in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Section 716 to be amended as follows:

716. Management

TSX requires that each listed issuer must meet, on an ongoing basis, the management requirements relevant to its category of listing that are described in Section 311 (for Industrial Issuers), Section 316 (for Mining Issuers), Section 321 (for Oil & Gas Issuers), Section 1102 (ETPs), Section 1103 (Closed-end Funds) and Section 1104 (Structured Products). TSX may delist the securities of a listed issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of TSX, listed issuers will submit a Personal Information Form (Form 4 – Appendix H) for any person so requested. TSX may delist the securities of a listed issuer in the event TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

Once submitted, a Personal Information Form (Form 4 – Appendix H) is valid for a time period of three years, absent any material change in the information submitted. Once a Personal Information Form (Form 4 – Appendix H) has been cleared by the Exchange, such clearance is valid for a period of one calendar year for Non-Corporate Issuers. After one year, subject to there having been no material change in the information submitted to the Exchange in the original Personal Information Form (Form 4 – Appendix H), an insider of a Non-Corporate Issuers may submit a completed Declaration (Form 4B – Appendix H) in connection with a new listing application.

Part III to be amended as follows:

307.

Companies applying for a listing on the Exchange are placed in one of three categories: Industrial (General), Mining or Oil and Gas. All SPACs and Non-Corporate Issuers are listed under the Industrial (General) category. If the primary nature of a business cannot be distinctly categorized, the Exchange will designate the company to a listing category after a review of the company's financial statements and other documentation.

308.

There are specific minimum listing requirements for each of the three categories of companies. These requirements are set out in the following sections:

Industrial (excluding SPACs and Non-Corporate Issuers)	Sections 309 to 313
Mining	Sections 314 to 318
Oil and Gas	Sections 319 to 323

For SPACs, the minimum listing requirements, as well as other requirements, are set out in Part X.

For Non-Corporate Issuers, the minimum listing requirements, as well as other requirements, are set out in Part XI.

The minimum listing requirements should be read in conjunction with the Exchange policy on quality of management, as set out in Section 325.

309.1. Requirements for Eligibility for Listing – Exempt Issuers[12]

a) net tangible assets of $7,500,000[13];

b) earnings from ongoing operations of at least $300,000 before taxes and extraordinary items, in the fiscal year immediately preceding the filing of the listing application;

c) pre-tax cash flow of $700,000 in the fiscal year immediately preceding the filing of the listing application and an average pre-tax cash flow of $500,000 for the two fiscal years immediately preceding the filing of the listing application; and

d) adequate working capital to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of a listing to an applicant on an exempt basis, in which case the application will be considered on its own merits. “Exceptional Circumstances” for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

Special Purpose Issuers. – The Exchange will generally consider the listing of special purpose issuers other than Non-Corporate Issuers on an exceptional circumstances basis. The Exchange will consider all relevant factors in assessing these applicants including objectives and strategy, nature and size of the assets, anticipated operating and financial results, track record and expertise of managers and/or advisors, and level of investor and market support.

The Exchange encourages special purpose issuers and their advisors to contact Listings to discuss their specific circumstances.

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12 See footnote 1.

13 See footnote 2.

Part IV to be amended as follows:

Notice to the Exchange

428.

All companies declaring a dividend on listed shares must promptly notify the Exchange's Listed Issuer Services of the particulars, except as provided below. Companies must complete and file a Form 5 – Dividend/Distribution Declaration (Appendix H: Company Reporting Forms) with the Exchange. For the purposes of Exchange requirements, "dividends" also includes distributions to holders of listed securities other than shares, such as units.

The Exchange must have sufficient time to inform its Participating Organizations and the financial community of the details of each dividend declared. There must be a clear understanding in the market-place as to who is entitled to receive the dividend declared. Due to practical considerations, such as long holidays and weekends, the Exchange requires prior notice be given to the Exchange in advance of the dividend record date, the record date being the date of closing of the transfer books of the company. Companies with tentative dividend plans should schedule their board meetings well in advance of the proposed record date.

A minimum seven (7) trading days notification period applies to all distributions, including special year end distributions by income trusts and other similar non-taxable entities, whether or not:

(a) the exact amount of the distribution is known; or

(b) the distribution is to be paid in cash, trust units and/or other securities.

Where the exact amount of the distribution is unknown, companies should provide, at the time they file their Form 5, their best estimate of the anticipated amount of the distribution and indicate that such amount is an estimate. Details regarding the payment of the distribution in cash, trust units and/or other securities must be provided.

Upon determination of the exact amount of any estimated distribution, companies must disseminate the final details by press release and provide TSX's dividend administrator with a copy of the press release.

The dividend notification requirement does not apply to a distribution by a Non-Corporate Issuer that is to be paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders. In such case, the Non-Corporate Issuer must disseminate a news release with the estimated distribution amount at least four (4) trading days prior to the record date. Upon determination of the exact amount of any estimated distribution, the Non-Corporate Issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.

Ex-Dividend Trading

429.

Determining whether the seller or the buyer is entitled to the dividend is accomplished through the procedure known as ex-dividend trading. On shares selling ex-dividend the seller retains the right to a pending dividend payment, and the opening bid quotation is usually reduced by the value of the dividend payable.

Since three trading days are allowed for the completion of the registration of a securities transaction, it is necessary that the shares commence trading on an ex-dividend basis at the opening of trading on the date which is two trading days prior to the record date for the dividend. For example, if the record date for a dividend is Friday, the shares will commence trading on an ex-dividend basis on the preceding Wednesday (in the absence of statutory holidays). If the record date is Monday, the shares will commence trading on an ex-dividend basis on Thursday of the previous week (in the absence of statutory holidays).

When a distribution is paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders, ex-dividend trading will not apply.

Due Bill Trading

429.1.

For the purposes of this Section 429.1, "distribution" means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific record date.

Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence two trading days prior to the record date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

When Due Bills are used, ex-distribution trading usually commences at the opening on the first trading day after the payment date. In the event that the Exchange receives late notification of the payment date and the payment date has passed, ex-distribution trading will generally commence on the first trading day following such notification.

The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., two trading days before the record date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

Listed issuers should contact the Exchange to discuss the use of Due Bills well in advance of any contemplated record date for a distribution.

Due Bill trading will not be implemented for special distributions of additional listed securities where such securities are immediately consolidated following the distribution.

Late Notification

430.

Failure of a company to give notice of a declared dividend the required number of trading days prior to the record date as required under Section 428 creates the possibility of unnecessary confusion at the last moment. Serious bona fide disputes may arise over who is entitled to the payment of the dividend, the market price of the stock may not reflect the amount of the dividend declared, and there may be delay and confusion in connection with the registration of new shareholders.

Obviously, such disputes and confusion interfere with the Exchange's main goal of providing an orderly market for listed securities. The Exchange's policy regarding a company which fails to follow the proper procedure is to hold such company liable for dividend claims made by both buyers and sellers of the shares involved.

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Section 604 to be amended as follows:

604. Security Holder Approval

(g) [Deleted.]

Part I of the Listing Application to be amended as follows:

A. Listing Category
B.
Indicate the category pursuant to which the listing is sought.

Industrial	Mining	Oil & Gas	Non-Corporate Issuers
☐ Profitable (309 a)	☐ Producing (314 a)	☐ Non exempt (319)	☐ ETPs (1102)
☐ Forecasting Profitability (309 b)	☐ Exploration & Development (314 b)	☐ Exempt (319.1)	☐ Closed-end Funds (1103)
☐ Profitable Exempt (309.1)	☐ Producing Exempt (314.1)		☐ Structured Products (1104)
☐ Technology (309 c)			
☐ Research & Development (309 d)			
☐ Other			

APPENDIX C

BLACKLINE OF THE FINAL AMENDMENTS

Part I – Interpretation

Part I will be amended by adding each of the following definitions:

"**Closed-end Fund**" ~~means an investment fund, mutual fund, split share corporation, capital trust or other similarly formed entity that is managed in accordance with specific investment goals and strategies~~has the same meaning as "non-redeemable investment fund" as found in the OSA. TSX, in its discretion, shall determine if an issuer will be considered a Closed-end Fund;

"**Exchange Traded Product**" or "**ETP**" means redeemable equity securities (~~an~~ "**Exchange Traded Fund**" or "**ETF**") or debt securities (~~an~~ "**Exchange Traded Note**" or "**ETN**") offered on a continuous basis under a prospectus, which ~~gives~~give an investor exposure to the performance of specific indices, sectors, managed portfolios or commodities through a single security. TSX, in its discretion, shall determine if the securities will be considered an ETP;

"**Financial Institution**" means a financial institution regulated by the Office of the Superintendent of Financial Institution ("**OSFI**") or, if a foreign financial institution, regulated by a regulatory body equivalent to OSFI with not less than $150 million market capitalization;

"**Manager**" means a person or company who is a registered investment fund manager;

"**Non-Corporate Issuer**" means an ETP, Closed-end Fund and / or Structured Product; and

"**Structured Product**" means securities generally issued by a Financial Institution under a base shelf prospectus and pricing supplement where an investor's return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. TSX, in its discretion, shall determine if the securities will be considered a Structured Product.

A new section, Part XI, will be added to the Manual, as follows:

PART XI – REQUIREMENTS APPLICABLE TO NON-CORPORATE ISSUERS

This section sets out the requirements that are specifically applicable to Non-Corporate Issuers.

In addition to the specific requirements outlined in this Part XI, Non-Corporate Issuers must also comply with the following sections of the Manual:

Part IV – MAINTAINING A LISTING

All Sections, other than Shareholders' Meeting and Proxy Solicitation (Sections 455 - 465)

Part VI – CHANGES IN CAPITAL STRUCTURE

(A) Discretion (Section 603), Security Holder Approval (Section 604), Changes in Issued Securities (Section 605)

(C) Security Based Compensation Arrangements (Section 613)

(F) Substitutional Listings (Sections 618 - 622)

(I) Redemption of Listed Securities (Section 625)

(L) Normal Course Issuer Bids (Sections 628 - 629)

Part VII – HALTING, SUSPENSION AND DELISTING

All Sections, other than Market Value and Public Distribution (Section 712)

Part IX – DEALING WITH THE NEWS MEDIA

All Sections

A. Original Listing Requirements

1101. Introduction

This section outlines the minimum listing requirements for each of ETPs (Section 1102), Closed-end Funds (Section 1103) and Structured Products (Section 1104), as defined under Part I of the Manual.

The Exchange generally expects that an original listing application of a Non-Corporate Issuer will be accompanied by a prospectus which will be concurrently or has been recently filed with the OSC. The Exchange recommends that prospective applicants without a prospectus obtain a preliminary opinion from TSX as to their eligibility for listing.

These minimum listing requirements should be read in conjunction with the Section 325, which sets out the Exchange's requirements regarding the quality of management.

These minimum listing criteria have been designed as guidelines and the Exchange reserves the right to exercise its discretion in applying them. This discretion may well take into consideration facts or situations unique to a particular applicant, resulting in the granting or denial of a listing application notwithstanding the published criteria.

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed issuers, including policies described in Part III.

Please refer to Sections 338 to 360 for the Listing Application Procedure.

1102. Requirements for ETPs

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least $1,000,000;

(b) **NAV.** NAV must be calculated ~~on~~no less frequently than each trading day and be made available on a publicly accessible website; and

(c) **Management.** If the ETP is not issued by a Financial Institution, the ETP or its Manager must have a CEO, CFO (who is not also the CEO), Secretary and an IRC. The ETP or its Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. For ETPs issued by Financial Institutions, individuals responsible for day-to-day management and operations of the ETP must be identified. TSX must be satisfied that management of the ETP, the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

1103. Requirements for Closed-end Funds

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least $~~20,000,000~~10,000,000;

(b) **NAV.** NAV must be calculated ~~at least on a weekly basis~~no less frequently than required under applicable securities law and be made available on a publicly accessible website;

(c) **Public distribution.** At least 1,000,000 freely tradable securities must be held by at least 300 public holders, each holding one board lot or more; and

(d) **Management.** The Closed-end Fund or its Manager must have a CEO, CFO (who is not also the CEO), a Secretary and an IRC. The Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. TSX must be satisfied that management of the Manager will fulfill the requirements of Section 325 of the Manual.

1104. Requirements for Structured Products

(a) **Minimum market capitalization.** Initial public offering or market value of freely tradeable securities to be listed of at least $1,000,000;

(b) **NAV.** NAV must be calculated ~~at least on a~~no less frequently than weekly ~~basis~~ and be made available on a publicly accessible website; and

(c) **Management.** If the Structured Product is not issued by a Financial Institution, the issuer or its Manager must have at least two independent directors, a CEO, CFO (who is not the CEO), and a Secretary. The Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. For Structured Products issued by Financial Institutions, individuals responsible for the management and day-to-day operations of the Structured Product must be identified. TSX must be satisfied that management of the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

Prior to filing a listing application, the Exchange recommends that issuers other than Financial Institutions proposing to list Structured Products obtain a preliminary opinion as to the eligibility for listing.

1105. Listing Related Procedures

Please refer to Sections 338 to 360.

B. Changes in Capital Structure

1106. General

(a) **ETPs**

Every listed ETP shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities. ETPs are not required to provide prior notification to the Exchange of the issuance or potential issuance of listed securities offered on a continuous basis.

(b) **Closed-end Funds and Structured Products**

Every listed Closed-end Fund and Structured Product shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.

1107. Additional Listings

(a) **ETPs**

(i) The creation of any securities of an ETP must be effected in accordance with its constating documents and National Instrument 81-102 – ~~*Mutual*~~*Investment Funds*, if applicable; and

(ii) ETPs must provide the Exchange on a ~~quarterly~~monthly basis ~~with~~ a Form 1 – Change in Outstanding and Reserved Securities and on a quarterly basis either (A) an opinion of counsel that all securities issued during the previous quarter have been validly issued as fully paid and non-assessable securities of the ETP, or (B) if the ETP's governing corporate law and/or constating documents include a provision stating that all securities must be issued as fully-paid and non-assessable, a certificate of a senior officer confirming the number of securities of the ETP created and reported to the Exchange in the previous quarter and that full consideration for such securities was received prior to or concurrently with their issuance.

(b) **Closed-end Funds and Structured Products**

(i) A Closed-end Fund or Structured Product may not proceed with a Subsection 1106(b) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).

(ii) TSX will advise the Closed-end Fund or Structured Product in writing generally within seven (7) business days of receipt by TSX of the notification required under Subsection 1106(b), of its decision to accept or not to accept the notice, indicating any conditions of acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(iii) Where a Closed-end Fund or Structured Product proposes to enter into transaction which requires notification under Subsection 1106(b), any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(iv) The issuance of additional listed securities must yield net proceeds per security to the issuer of no less than 100% of the most recently calculated NAV per security, calculated ~~immediately~~ prior to the pricing of such issuance, other than distributions to all security holders on a pro rata basis. All transactions must close within 30 days of the ~~most recently calculated NAV~~pricing of such issuance.

(v) Closed-end Funds and Structured Products must notify the Exchange whether an "if, as, and when issued" market may be requested.

1108. Supplemental Listings

An ETP or Closed-end Fund proposing to list securities of a class that is not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one copy of the preliminary prospectus describing the provisions of the securities. The Exchange recommends that ETPs and Closed-end Funds without a preliminary prospectus contact the Exchange to obtain a preliminary opinion as to the eligibility to list the supplemental securities.

Structured Product issuers proposing to list securities of a class that is not already listed will be considered under original listing requirements set out in Section 1104, other than the Management requirements in Subsection 1104(c).

If TSX conditionally approves the listing of the securities:

(i) This fact may be disclosed in the final prospectus or in other documents, in accordance with Section 346, and TSX will so advise the securities regulatory authorities.

(ii) The following documents must be filed with TSX within ninety (90) days of its conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):

(1) a notarial or certified copy of the resolution of the board of directors (or equivalent body) of the ETP, Closed-end Fund or the Manager (as the case may be) authorizing the application to list the securities;

(2) a notarial or certified copy of the amended declaration of trust or equivalent document, giving effect to the creation of the securities;

(3) one commercial copy of the final prospectus, or other offering document, if applicable;

(4) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

(5) a definitive specimen of the generic or customized security certificate, if any, in accordance with the requirements set out in Appendix D;

(6) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to the securities (see Section 350); and

(7) for Closed-end Funds, evidence of satisfactory distribution of the securities to be listed, which evidence may take the form of a letter from the underwriters/agents setting out the anticipated distribution of the securities based on the subscriptions received as of the date of the letter and that, at the time of listing, the distribution requirements set out in Section 1108(b)(i) or (ii) will be met.

(a) **ETPs**

(i) If the new class of securities to be listed is convertible into a currently listed class of securities, the number of securities of the new class must be not less than the minimum prescribed number of units ~~as set out in~~determined by the ~~constating documents.~~Manager.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for ETPs found in Subsections 1102 (a) and (b) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

(b) **Closed-end Funds**

(i) If the new class of securities to be listed is convertible into a currently listed class of securities: (1) the market value of the securities of the new class listed must not be less than $2,000,000; and (2) at least 100,000 freely tradeable securities must be held by at least 100 public holders, each holding one board lot or more.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for Closed-end Funds in Subsections 1103 (a), (b) and (c) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

1109. Dividends and Other Distributions

Refer to Sections 428 to 435 of the Manual for the requirements applicable to dividends and other distributions.

~~Due Bill trading will not be implemented for special distributions of additional listed securities where such securities are immediately consolidated. Issuers must disseminate a news release with the estimated distribution amount at least four (4) trading days prior to the record date. Upon determination of the exact amount of any estimated distribution, the issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.~~

1110. Management Fees

Any management fees payable in respect of a Non-Corporate Issuer providing for an issuance of securities from treasury will be subject to the requirements of Section 613 of the Manual.

1111. Security Holder Approval for Amendments ~~to Constating Documents~~

For ETPs and Closed-end Funds, in addition to the matters requiring security holder approval pursuant to Section 5.1 of NI 81-102 – ~~*Mutual*~~*Investment Funds* and as otherwise required by the Manual, the Exchange ~~requires~~may require security holder approval for:

(i) any amendments to the ~~articles of incorporation or declaration of trust~~constating documents (or their equivalent) that are not covered by the ~~general~~ amendment provisions ~~thereof~~of such documents and that may materially affect the rights of security holders; and,

(ii) the extension of an ETP or Closed-end Fund beyond the originally contemplated termination date, unless security holders are provided with: (a) the opportunity to redeem securities at NAV ~~on or about~~within three (3) months of the originally contemplated termination date; and (b) notice of the extension at least thirty (30) days prior to the redemption deadline.

1112. Termination / Voluntary Delisting

Unless a Non-Corporate Issuer has a fixed termination date, the Non-Corporate Issuer must provide security holders with at least 30 days' notice prior to termination.

A Non-Corporate Issuer wishing to have all or any class of its listed securities voluntarily delisted from TSX should refer to Section 720 of the Manual.

1113. ~~Notification to~~Preclearance of Materials with the Exchange

Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders~~, except for continuous disclosure documents such as financial statements or management report of fund performance.~~ at least five business days in advance of finalization of the materials.

1114. Continued Listing Requirements

Please refer to Part VII of the Manual. All of Part VII of the Manual applies to Non-Corporate Issuers, except for (D) – Delisting Criteria (Section 712).

The securities of Closed-end Fund may be suspended or delisted if:

(i) the market value of its securities listed on TSX is less than $3,000,000 over any period of 30 consecutive trading days;

(ii) the number of freely-tradable, publicly held securities is less than 500,000; or

(iii) the number of public security holders, each holding a board lot or more, is less than 150.

The securities of an ETP or Structured Product may be suspended or delisted if, in the opinion of the Exchange, the continued listing of such securities would not be consistent with preserving the overall quality of the market. In making its determination, the Exchange will consider factors about the securities, including the following and any other relevant considerations:

(i) the level of trading ~~liquidity of the listed securities~~;

(ii) the market value ~~of the listed securities~~;

(iii) in the case of an ~~ETP~~ETF, the absence of a designated broker ~~for the listed securities~~;

(iv) in the case of a Structured Product, where the Financial Institution (or other similar institution) that has issued the Structured Product has ceased to act as a market maker for the Structured Product; and

(v) the bid and ask spread ~~of the listed securities~~.

No set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if, in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Section 716 to be amended as follows:

716. Management

TSX requires that each listed issuer must meet, on an ongoing basis, the management requirements relevant to its category of listing that are described in Section 311 (for Industrial Issuers), Section 316 (for Mining Issuers), Section 321 (for Oil & Gas Issuers), Section 1102 (ETPs), Section 1103 (Closed-end Funds) and Section 1104 (Structured Products). TSX may delist the securities of a listed issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of TSX, listed issuers will submit a Personal Information Form (Form 4– Appendix H) for any person so requested. TSX may delist the securities of a listed issuer in the event TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

Once submitted, a Personal Information Form (Form 4 –Appendix H) is valid for a time period of three years, absent any material change in the information submitted. Once a Personal Information Form (Form 4 – Appendix H) has been cleared by the Exchange, such clearance is valid for a period of one calendar year for Non-Corporate Issuers. After one year, subject to there having been no material change in the information submitted to the Exchange in the original Personal Information Form (Form 4 – Appendix H), an insider of a Non-Corporate Issuers may submit a completed Declaration (Form 4B – Appendix H) in connection with a new listing application.

Part III to be amended as follows:

307.

Companies applying for a listing on the Exchange are placed in one of three categories: Industrial (General), Mining or Oil and Gas. ~~All special purpose issuers such as exchange traded funds, split share corporations, income trusts, investment funds and limited partnerships are listed under the Industrial (General) category.~~ All SPACs and Non-Corporate Issuers are listed under the Industrial (General) category. If the primary nature of a business cannot be distinctly categorized, the Exchange will designate the company to a listing category after a review of the company's financial statements and other documentation.

308.

There are specific minimum listing requirements for each of the three categories of companies. These requirements are set out in the following sections:

Industrial (excluding SPACs and Non-Corporate Issuers)	Sections 309 to 313
Mining	Sections 314 to 318
Oil and Gas	Sections 319 to 323

For SPACs, the minimum listing requirements, as well as other requirements, are set out in Part X.

For Non-Corporate Issuers, the minimum listing requirements, as well as other requirements, are set out in Part XI.

The minimum listing requirements should be read in conjunction with the Exchange policy on quality of management, as set out in Section 325.

309.1. Requirements for Eligibility for Listing – Exempt Issuers[12]

a) net tangible assets of $7,500,000[13];

b) earnings from ongoing operations of at least $300,000 before taxes and extraordinary items, in the fiscal year immediately preceding the filing of the listing application;

c) pre-tax cash flow of $700,000 in the fiscal year immediately preceding the filing of the listing application and an average pre-tax cash flow of $500,000 for the two fiscal years immediately preceding the filing of the listing application; and

d) adequate working capital to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of a listing to an applicant on an exempt basis, in which case the application will be considered on its own merits. “Exceptional Circumstances” for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

Special Purpose Issuers. – The Exchange will generally consider the listing of ~~exchange traded funds, split share corporations, income trusts, investment funds, limited partnerships and other~~ special purpose issuers other than Non-Corporate Issuers on an exceptional circumstances basis. The Exchange will consider all relevant factors in assessing these applicants including objectives and strategy, nature and size of the assets, anticipated operating and financial results, track record and expertise of managers and/or advisors, and level of investor and market support.

The Exchange encourages special purpose issuers and their advisors to contact Listings to discuss their specific circumstances.

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12 See footnote 1.

13 See footnote 2.

Part IV to be amended as follows:

Notice to the Exchange

428.

All companies declaring a dividend on listed shares must promptly notify the Exchange's Listed Issuer Services of the particulars, except as provided below. Companies must complete and file a Form 5–Dividend/Distribution Declaration (Appendix H: Company Reporting Forms) with the Exchange. For the purposes of Exchange requirements, "dividends" also includes distributions to holders of listed securities other than shares, such as units.

The Exchange must have sufficient time to inform its Participating Organizations and the financial community of the details of each dividend declared. There must be a clear understanding in the market-place as to who is entitled to receive the dividend declared. Due to practical considerations, such as long holidays and weekends, the Exchange requires ~~that at least seven trading days'~~prior notice be given to the Exchange in advance of the dividend record date, the record date being the date of closing of the transfer books of the company. Companies with tentative dividend plans should schedule their board meetings well in advance of the proposed record date.

~~The~~A minimum seven (7) trading ~~day~~days notification period applies to all distributions, including special year end distributions by income trusts and other similar non-taxable entities, whether or not:

(a) the exact amount of the distribution is known; or

(b) the distribution is to be paid in cash, trust units and/or other securities~~; or(c) if the distribution is to be paid in securities, the securities to be distributed are immediately consolidated after the distribution, resulting in no change to the number of securities held by security holders~~.

Where the exact amount of the distribution is unknown, ~~issuers~~companies should provide, at the time they file their Form 5, their best estimate of the anticipated amount of the distribution and indicate that such amount is an estimate. Details regarding the payment of the distribution in cash, trust units and/or other securities~~ and whether such securities will be immediately consolidated~~ must be provided.

Upon determination of the exact amount of any estimated distribution, ~~the issuer~~companies must disseminate the final details by press release and provide TSX's dividend administrator with a copy of the press release.

~~Notification of a distribution must be provided to TSX in accordance with Sections 428 to 435.2 even when the distribution is~~The dividend notification requirement does not apply to a distribution by a Non-Corporate Issuer that is to be paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders. ~~Such distributions may have tax consequences for security holders, which could impact the market price of the securities~~In such case, the Non-Corporate Issuer must disseminate a news release with the estimated distribution amount at least four (4) trading days prior to the record date. Upon determination of the exact amount of any estimated distribution, the Non-Corporate Issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.

Ex-Dividend Trading

429.

Determining whether the seller or the buyer is entitled to the dividend is accomplished through the procedure known as ex-dividend trading. On shares selling ex-dividend the seller retains the right to a pending dividend payment, and the opening bid quotation is usually reduced by the value of the dividend payable.

Since three trading days are allowed for the completion of the registration of a securities transaction, it is necessary that the shares commence trading on an ex-dividend basis at the opening of trading on the date which is two trading days prior to the record date for the dividend. For example, if the record date for a dividend is Friday, the shares will commence trading on an ex-dividend basis on the preceding Wednesday (in the absence of statutory holidays). If the record date is Monday, the shares will commence trading on an ex-dividend basis on Thursday of the previous week (in the absence of statutory holidays).

When a distribution is paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders, ex-dividend trading will not apply.

Due Bill Trading

429.1.

For the purposes of this Section 429.1, "distribution" means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific record date.

Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence two trading days prior to the record date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

When Due Bills are used, ex-distribution trading usually commences at the opening on the first trading day after the payment date. In the event that the Exchange receives late notification of the payment date and the payment date has passed, ex-distribution trading will generally commence on the first trading day following such notification.

The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., two trading days before the record date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

Listed issuers should contact the Exchange to discuss the use of Due Bills well in advance of any contemplated record date for a distribution.

Due Bill trading will not be implemented for special distributions of additional listed securities where such securities are immediately consolidated following the distribution.

Late Notification

430.

Failure of a company to give notice of a declared dividend ~~at least seven~~the required number of trading days prior to the record date as required under Section 428 creates the possibility of unnecessary confusion at the last moment. Serious bona fide disputes may arise over who is entitled to the payment of the dividend, the market price of the stock may not reflect the amount of the dividend declared, and there may be delay and confusion in connection with the registration of new shareholders.

Obviously, such disputes and confusion interfere with the Exchange's main goal of providing an orderly market for listed securities. The Exchange's policy regarding a company which fails to follow the proper procedure is to hold such company liable for dividend claims made by both buyers and sellers of the shares involved.

Section 604 to be amended as follows:

604. Security Holder Approval

(g) [Deleted.]~~When a listed issuer that is an investment fund: (i) is being acquired, or (ii) transfers its assets; and after the transaction will cease to continue and its security holders will become security holders of another investment fund, TSX will require that such listed issuer obtain security holder approval for the transaction, unless all of the following conditions are met:~~

~~(i) the listed issuer has a permitted merger clause in its constating documents which permits the transaction by the listed issuer without security holder approval;~~

~~(ii) the consideration offered to security holders of the listed issuer for the transaction has a value that is not less than NAV;~~

~~(iii) the manager of the listed issuer has determined that the investment objectives, valuation procedures and fee structure of the listed issuer and the acquiring issuer are substantially the same, has made such representations to its IRC, and has referred the transaction to its IRC for approval;~~

~~(iv) the IRC of the listed issuer has approved the transaction;~~

~~(v) the listed issuer is providing its security holders with a redemption right for cash proceeds which are not less than NAV, together with not less than 20 business days notice by press release including a description of such redemption right and the transaction; and~~

~~(vi) the investment funds participating in the transaction bear none of the costs and expenses associated with the transaction.~~

Part I of the Listing Application to be amended as follows:

A. Listing Category

Indicate the category pursuant to which the listing is sought.

Industrial	~~**Industrial**~~	**Mining**	**Oil & Gas**	**Non-Corporate Issuers**
☐ Profitable (309 a)	~~☐ Structured Products~~	☐ Producing (314 a)	☐ Non exempt (319)	☐ ETPs (1102)
☐ Forecasting Profitability (309 b)	~~☐ ETFs~~	☐ Exploration & Development (314 b)	☐ Exempt (319.1)	☐ Closed-end Funds (1103)
☐ Profitable Exempt (309.1)	~~☐ Other~~	☐ Producing Exempt (314.1)		☐ Structured Products (1104)
☐ Technology (309 c)				
☐ Research & Development (309 d)				
☐ Other				

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