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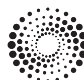

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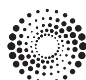

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Memorandum of Understanding Respecting the Oversight of Clearing Agencies, Trade Repositories and Matching Service Utilities

**NOTICE OF MEMORANDUM OF UNDERSTANDING
RESPECTING THE OVERSIGHT OF
CLEARING AGENCIES, TRADE REPOSITORIES AND MATCHING SERVICE UTILITIES**

December 3, 2015

The Ontario Securities Commission, together with the Autorité des marchés financiers, Alberta Securities Commission, British Columbia Securities Commission, Financial and Consumer Affairs Authority of Saskatchewan, Financial and Consumer Services Commission (New Brunswick), Manitoba Securities Commission and Nova Scotia Securities Commission recently entered into a Memorandum of Understanding (the "MOU") respecting the oversight of clearing agencies, trade repositories and matching service utilities (the "Covered Entities"). The MOU outlines the manner in which the jurisdictions will cooperate and coordinate their efforts to oversee the Covered Entities in order to promote their safety and efficiency, as well as contribute to the management of systemic risk.

The MOU is subject to the approval of the Minister of Finance. The MOU was delivered to the Minister of Finance on December 2, 2015.

Questions may be referred to:

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Memorandum of Understanding Respecting the Oversight of Clearing Agencies, Trade Repositories and Matching Service Utilities, among:

Alberta Securities Commission (ASC)
Autorité des marchés financiers (AMF)
British Columbia Securities Commission (BCSC)
Financial and Consumer Affairs Authority of Saskatchewan (FCAA)
Financial and Consumer Services Commission (New Brunswick) (FCNB)
The Manitoba Securities Commission (MSC)
Nova Scotia Securities Commission (NSSC)
Ontario Securities Commission (OSC)
(each a "Party", collectively the "Parties")

The Parties hereby agree as follows:

1. Underlying Principles

(I) Scope

(a) This Memorandum of Understanding ("MOU") outlines the manner in which the Parties intend to cooperate and coordinate their efforts in respect of the oversight of Regulated Entities (as defined below), including the processing of applications by Applicant Entities (as defined below).

(II) General Purpose and Objectives

(a) All Parties intend to fully cooperate and coordinate with each other in respect of the oversight of Regulated Entities, including the processing of applications by Applicant Entities, for the purposes of promoting the safe and efficient management and operation of Regulated Entities and the limiting and managing of systemic risk.

(b) The cooperation and coordination by the Parties under this MOU are intended to ensure that all of the following applicable objectives are met:

(i) each Party can meet its respective regulatory mandate, whether acting as a Lead Authority, Co-Lead Authority or Reliant Authority;

(ii) consistency in the overall oversight approach among the Parties that act as a Lead Authority, Co-Lead Authorities or Reliant Authorities for each particular Regulated Entity is achieved so that conflicting or incompatible oversight requirements and actions are avoided and oversight gaps are eliminated;

(iii) the processing of applications of Applicant Entities and the oversight of Regulated Entities are carried out efficiently and effectively, including that the burden imposed on Applicant Entities and Regulated Entities under a multiple regulator system is reduced, and the duplication of efforts by the Parties is minimized; and

(iv) consistent and transparent reporting is provided by a Lead Authority or Co-Lead Authorities to a Reliant Authority(s) for each Regulated Entity.

(III) Oversight Model

(a) A Lead Authority or Co-Lead Authorities will be selected for each Regulated Entity in accordance with Article 3 of this MOU, and if applicable, one or more Parties may rely on the Lead Authority or Co-Lead Authorities as a Reliant Authority(s).

(b) For each Regulated Entity that is Canadian-based, its Lead Authority or Co-Lead Authorities will be responsible for:

(i) its direct oversight through an Oversight Program established in accordance with Article 6 of this MOU;

(ii) liaising and interacting directly with the Regulated Entity with respect to such oversight; and

(iii) liaising and interacting directly with the Bank of Canada ("Bank") in accordance with Article 7 of this MOU, where applicable.

(c) For each Regulated Entity that is foreign-based and that is subject to a comparable regulatory regime in its home jurisdiction, the Lead Authority or Co-Lead Authorities will:

(i) rely on the Regulated Entity's Home Regulator for day to day oversight, to the extent possible;

(ii) liaise and interact directly with the Home Regulator with respect to the Regulated Entity's oversight;

(iii) carry out direct oversight of the Regulated Entity through an Oversight Program established in accordance with Article 6 of this MOU only in respect of matters that have a material impact on the Canadian capital markets; and

(iv) liaise and interact directly with the Regulated Entity with respect to such oversight.

(d) For each Regulated Entity that is foreign-based, and that is not regulated in its home jurisdiction or where the Home Regulator's regulatory regime is not comparable, its Lead Authority or Co-Lead Authorities will be responsible for:

(i) its direct oversight through an Oversight Program established in accordance with Article 6 of this MOU; and

(ii) liaising and interacting directly with the Regulated Entity with respect to such oversight.

(e) Where Co-Lead Authorities have been selected to carry out the oversight of a Regulated Entity, the number of Co-Lead Authorities should be limited in order to ensure efficiency and effectiveness of the oversight.

2. Definitions

In this MOU, the following terms have the meanings set out below:

"Applicant Entity" means a Clearing Agency, Trade Repository or Matching Service Utility that has concurrently or within an overlapping time period applied to more than one provincial or territorial securities regulatory authority to become recognized, exempted or designated under applicable Canadian Securities Legislation and whose application is being processed concurrently by the Parties in receipt of it.

"Canadian Securities Legislation" has the same meaning as in National Instrument 14-101 *Definitions* and includes, in Manitoba and Ontario, the *Commodity Futures Act*.

"Co-Lead Authority" means a Party that has recognized or designated, or will recognize or designate, a particular Regulated Entity and that has been selected from time to time to be jointly responsible with one or more other Parties for the oversight of the Regulated Entity in accordance with Article 3 of this MOU.

"Coordinating Lead Authority" means one of the Co-Lead Authorities for a particular Regulated Entity that is responsible for carrying out certain administrative tasks in respect of that Regulated Entity, as specified in this MOU.

"Clearing Agency" means a "clearing agency" within the meaning of Canadian Securities Legislation, including National Instrument 24-102 *Clearing Agency Requirements*, and includes, in Manitoba, a "clearing house" within the meaning of the Manitoba *Commodity Futures Act*.

"Contact Person" means the person designated by each Party as the person or persons to receive communications from other Parties.

"Home Regulator" means a foreign-based regulatory authority that has direct authority over, and carries out oversight of, a particular foreign-based Regulated Entity in its home jurisdiction.

"Lead Authority" means a Party that has recognized or designated, or will recognize or designate, a particular Regulated Entity, and that has been selected from time to time to be responsible for the oversight of the Regulated Entity in accordance with section 3 of this MOU.

"List of Regulated Entities" means the list of Regulated Entities that includes the selected Lead Authorities or Co-Lead Authorities, and the Reliant Authorities, attached as Schedule 1 to this MOU. The List of Regulated Entities does not form part of this MOU, may be amended from time to time by mutual agreement of the Parties, and will be published by each Party after any such amendment.

"Matching Service Utility" means a "matching service utility" within the meaning of Canadian Securities Legislation.

"Regulated Entity" means a Clearing Agency, Trade Repository or Matching Service Utility that is recognized, exempted or designated pursuant to applicable Canadian Securities Legislation in more than one jurisdiction of Canada and that is identified on the List of Regulated Entities.

"Reliant Authority" means a Party that has recognized, designated or exempted a particular Regulated Entity or will recognize, designate or exempt a particular Regulated Entity, and that relies or will rely on the Lead Authority or Co-Lead Authorities for direct oversight of that Regulated Entity.

"Rules" means the rules, operating procedures, user guides, manuals, agreements and similar instruments of a Regulated Entity which govern the operations of the entity or participation in the entity.

"Trade Repository" means a "trade repository" or "derivatives trade repository" within the meaning of Canadian Securities Legislation.

"Urgent Matter" means a particular issue or concern affecting the safety or efficiency of a Regulated Entity or its participants, which requires urgent action or consideration by the relevant Parties.

Unless the context otherwise requires, other terms used in this MOU have the meanings ascribed to them in Canadian Securities Legislation, including National Instrument 14-101 *Definitions*.

3. Selection of a Lead Authority or Co-Lead Authorities

(I) Guiding Factors for the Selection of a Lead Authority or Co-Lead Authorities

(a) The selection of a Lead Authority or Co-Lead Authorities for a particular Regulated Entity will be reached by consensus of all Parties that have recognized, exempted or designated the Regulated Entity, or that are in the process of recognizing, exempting or designating the Regulated Entity, based on the following guiding factors:

(i) the head office and/or principal place of business of the Regulated Entity; and

(ii) the significance of the Regulated Entity's activity in each jurisdiction of Canada, which can be determined by:

(A) the number of participants or members of the Regulated Entity that are resident in each jurisdiction of Canada relative to Canadian totals;

(B) for a Regulated Entity that is a Clearing Agency, the nature of the products cleared or services offered, and the value and volume cleared and/or settled for residents of each jurisdiction of Canada, as well as the proportion of that activity in each jurisdiction of Canada relative to Canadian totals;

(C) for a Regulated Entity that is a Trade Repository, the asset classes that are reported, as well as the proportion of the activity in respect of the asset classes that are reported in each jurisdiction of Canada relative to Canadian totals; and

(D) the impact on the capital market or economy of each jurisdiction of Canada if the Regulated Entity ceases to carry on business.

(b) The list of guiding factors is non-exhaustive, and no single factor is intended to be determinative.

(c) The selection process for a Lead Authority or Co-Lead Authorities for a particular Regulated Entity may be initiated as early as the time it becomes an Applicant Entity and will be finalized no later than once it becomes a Regulated Entity.

(d) Where consensus on a Lead Authority or Co-Lead Authorities cannot be reached by the relevant Parties, the matter may be escalated pursuant to Article 12 of the MOU.

(II) Re-Selection of a Lead Authority or Co-Lead Authorities

(a) Absent the escalation of any disputes or disagreements pursuant to Article 12 of this MOU, the Parties that have recognized, exempted or designated a particular Regulated Entity may re-select a Lead Authority or Co-Lead Authorities, in accordance with this Article 3, no earlier than three years from the time of the selection of the incumbent Lead Authority or Co-Lead Authorities.

4. Cooperation between Co-Lead Authorities

(a) Co-Lead Authorities for a particular Regulated Entity will cooperate and coordinate with each other in respect of the oversight of the Regulated Entity, including jointly establishing an Oversight Program for the Regulated Entity in accordance with subsection 6(a) of this MOU and coordinating the conduct of such Oversight Program.

(b) Coordination between Co-Lead Authorities may be achieved by:

(i) clearly defining each Party's respective responsibilities;

(ii) sharing information respecting the oversight of the Regulated Entity in a timely manner; and

(iii) harmonizing regulatory actions with respect to a Regulated Entity to the extent possible (e.g. when approving or non-disapproving material changes to the Rules of the Regulated Entity).

(c) Co-Lead Authorities for a particular Regulated Entity may appoint by mutual agreement a Coordinating Lead Authority that will accept responsibility for liaising and interacting with the Regulated Entity for each oversight matter, where possible, and for carrying out certain administrative tasks as determined between the Co-Lead Authorities from time to time.

5. Coordination of Application Process

(a) A Party that is in receipt of an application for recognition, exemption or designation from Clearing Agency, Trade Repository or Matching Service Utility will notify all Contact Persons of the application.

(b) Parties that have concurrently or within an overlapping time period received an application from an Applicant Entity will coordinate their review and approval of the application to the extent practicable, including sharing communications with the Applicant Entity, harmonizing relevant terms and conditions of recognition, designation or exemption, and developing consistent protocols for review and/or approval of filings by the Applicant Entity following the recognition, designation or exemption.

(c) The coordination of an application process in respect of a particular Applicant Entity may be led by its Lead Authority or Co-Lead Authorities, if already selected in accordance with Article 3 of this MOU, or by another Party or Parties selected by the mutual agreement of the Parties that are in receipt of an application by the Applicant Entity.

6. Oversight of a Regulated Entity

(I) Oversight Program Conducted by Lead Authority or Co-Lead Authorities

(a) The Lead Authority or Co-Lead Authorities for a particular Regulated Entity will establish and conduct an oversight program ("Oversight Program") in respect of that Regulated Entity.

(b) The purpose of an Oversight Program is to ensure that a particular Regulated Entity is operating safely and efficiently and is in compliance with applicable Canadian Securities Legislation and the terms and conditions of the recognition or designation decision(s) issued by its Lead Authority or Co-Lead Authorities.

(c) An Oversight Program will be risk-based and will include the following minimum components:

(i) review of information filed by a Regulated Entity pursuant to applicable Canadian Securities Legislation and the terms and conditions of the recognition or designation decision(s) issued by its Lead Authority or Co-Lead Authorities;

(ii) monitoring of a Regulated Entity's compliance with applicable Canadian Securities Legislation and the terms and conditions of the recognition or designation decision(s) issued by its Lead Authority or Co-Lead Authorities;

(iii) approval or non-disapproval of material changes to the Rules of a Regulated Entity and other matters contemplated under applicable Canadian Securities Legislation, in accordance with the process outlined in the recognition or designation decision(s) issued by its Lead Authority or Co-Lead Authorities; and

(iv) periodic on-site review;

(d) The minimum components outlined for each Oversight Program may be supplemented with additional oversight activities in respect of a particular Regulated Entity, or adjusted if the Regulated Entity is a foreign-based Regulated Entity.

(e) The Lead Authority or Co-Lead Authorities will retain discretion regarding the manner in which an Oversight Program is conducted.

(II) Involvement of a Reliant Authority

(a) A Reliant Authority may advise the Lead Authority or Co-Lead Authorities of a particular Regulated Entity that it has specific material concerns regarding the operations of the Regulated Entity and request that the Lead Authority or Co-Lead Authorities examine such concerns. The Lead Authority or Co-Lead Authorities retain the discretion to determine how to examine the concerns, and will notify the Reliant Authority of their intentions within a reasonable period of time. Where the Lead Authority or Co-Lead Authorities undertake an examination based on the concerns of a Reliant Authority, the findings of such examination will be reported back to the Reliant Authority(s) as soon as practicable and no later than the time such findings are presented to the Regulated Entity.

(b) Where a Lead Authority or Co-Lead Authorities are not able, or in their discretion determines that they will not examine such material concerns, the Reliant Authority may conduct direct oversight in respect of such concerns without the participation of the Lead Authority or Co-Lead Authorities. The Reliant Authority will report the findings of such direct oversight to the Lead Authority, Co-Lead Authorities and other Reliant Authority(s) as soon as practicable and no later than the time such findings are presented to the Regulated Entity.

(c) To the extent that a Reliant Authority conducts direct oversight of a Regulated Entity in a particular instance, the Reliant Authority may directly liaise and interact with the Regulated Entity, and with its Home Regulator if the Regulated Entity is a foreign-based Regulated Entity.

(III) Information Sharing

(a) The Lead Authority or a Co-Lead Authority for a particular Regulated Entity will provide the Reliant Authority(s) with the following:

  (i) at least annually, a summary description of the Oversight Program planned for the Regulated Entity for the upcoming year, including material concerns or issues that will be subject to examination and key oversight activities, as well as any material changes to the Oversight Program since the last year;

  (ii) at least quarterly, a summary report of key findings from conducting the Oversight Program in the period, material issues encountered, the Regulated Entity's responses and action plans, the appropriateness of those responses and action plans, and any follow up oversight activities; and

  (iii) such other information respecting the Regulated Entity or its oversight that the Lead Authority or Co-Lead Authorities consider to be of interest to the Reliant Authority(s) for the discharging of their respective regulatory mandates.

(b) The Lead Authority or Co-Lead Authorities for a particular Regulated Entity will, upon written request from the Reliant Authority(s) of the Regulated Entity, provide to the Reliant Authority(s) or request that the Regulated Entity provide to the Reliant Authority(s) information concerning the Regulated Entity or their oversight activities in respect of the Regulated Entity within a reasonable period of time.

(c) Without limiting the generality of the foregoing, information shared between the Parties that have recognized, exempted or designated a particular Regulated Entity may include:

  (i) filings and/or material changes related to the operations, business, services, activities, affairs, financial resources, governance, membership, systems, Rules, design or risk controls of the Regulated Entity;

  (ii) results of any oversight activities, including assessments, audits or reviews;

  (iii) decisions, directives or orders or similar regulatory actions with respect to the Regulated Entity; and

  (iv) any other information respecting the oversight of the Regulated Entity that a Reliant Authority reasonably requires to discharge its respective regulatory mandate.

(d) The sharing of any information between Parties is subject to applicable law. The Parties will keep such information confidential to the extent permitted by applicable law and the information will be used by the Parties only for oversight purposes or otherwise in connection with their respective statutory mandates and responsibilities.

(e) Each Party will provide notice to all Contact Persons of any proposed changes to legislative, regulatory or legal frameworks with respect to Clearing Agencies, Trade Repositories and Matching Service Utilities.

(IV) Emergency Protocol for Coordination on Urgent Matters

(a) If it is not itself the Lead Authority or a Co-Lead Authority, a Party that identifies an Urgent Matter will immediately notify the Lead Authority or Co-Lead Authority of the particular Regulated Entity by telephone or e-mail, briefly describing the nature and the urgency of the matter.

(b) Upon identifying or being informed of an Urgent Matter, the Lead Authority or a Co-Lead Authority for a particular Regulated Entity will immediately notify all Contact Persons of the Co-Lead Authorities and/or Reliant Authority(s) of the Regulated Entity, where applicable, and organize and convene a teleconference to discuss the Urgent Matter.

(c) At the initial teleconference, the Lead Authority, Co-Lead Authorities and Reliant Authority(s) of the Regulated Entity will discuss the Urgent Matter and possible responses by the Lead Authority or Co-Lead Authorities, including, where necessary:

(i) assigning the role of coordinating consultations among relevant Parties and responses to the Urgent Matter to the Lead Authority, a Co-Lead Authority or another Party ("Urgent Matter Coordinator");[1] and

(ii) assigning persons within each of the Lead Authority, Co-Lead Authorities and Reliant Authority(s) to receive communications and participate in consultations relating to the Urgent Matter.

(d) Following the initial teleconference, the Urgent Matter Coordinator will regularly update, and will, where appropriate, consult with or seek input from, the Lead Authority, Co-Lead Authorities and Reliant Authority(s), as necessary.

7. Consultation and Coordination with the Bank of Canada

(a) When a Regulated Entity operates a clearing and settlement system that is also designated and overseen by the Bank pursuant to the *Payment Clearing and Settlement Act*, its Lead Authority or Co-Lead Authorities will endeavour to cooperate and coordinate with the Bank in order to:

(i) promote a consistent approach to oversight between the Lead Authority or Co-Lead Authorities and the Bank, in order to avoid conflicting or incompatible oversight requirements and actions, and to eliminate oversight gaps; and

(ii) promote efficient and effective oversight of the Regulated Entity by minimizing the burden on the Regulated Entity and by avoiding duplication of efforts by the Lead Authority, Co-Lead Authorities and the Bank.

8. Contact Persons

(a) For each Regulated Entity, each Party will designate up to three Contact Persons in respect of that Regulated Entity for the purposes of this MOU and shall communicate any updates in respect of the details of such Contact Persons.

(b) The Chair of the Oversight Committee (as defined below) will, promptly upon receiving the initial list of Contact Persons from each Party, compile a comprehensive list of Contact Persons and their contact information and distribute the list to all of the Parties. The Chair will thereafter be responsible for maintaining and updating the comprehensive list of Contact Persons, and will promptly distribute updated lists of Contact Persons, as necessary.

9. Oversight Committee

(a) An oversight committee ("Oversight Committee") will be established and will have the mandate to act as a forum and venue for the Parties to share information pursuant to this MOU, including the discussion of issues, concerns and proposals related to the oversight of Regulated Entities.

(b) The Oversight Committee will consist of staff representatives from each of the Parties to this MOU who have responsibility for and/or expertise in the oversight of Regulated Entities.

(c) A chair of the Oversight Committee ("Chair") will be selected by consensus of the Parties.

[1] Although which Party is the appropriate party to coordinate will depend on the circumstances, in delegating an Urgent Matter Coordinator, the Parties will have regard to: (i) in the case of the potential failure or default of a participant of the Regulated Entity, the provincial or territorial securities regulatory authority that regulates the participant; (ii) whether the Urgent Matter is primarily a matter of risk to the Canadian financial system as a whole or rather is confined to risk, efficiency, or access in a provincial or territorial market; and (iii) if the Urgent Matter is primarily a matter of operational risk resulting in a system's problem or failure, the jurisdiction where the system's problem or failure is likely to have the most impact.

(d) The Oversight Committee will meet at least once annually in person, and will conduct teleconferences at least quarterly.

(e) At least annually, the Oversight Committee will provide to the Canadian Securities Administrators ("CSA") a written report of oversight activities over Regulated Entities during the previous period.

10. Waiver

(a) The provisions of this MOU may be waived by written mutual agreement of the Parties, with the exception of Article 6, subsection (III)(d).

11. Amendments to the MOU

(a) This MOU may be amended from time to time by mutual agreement of the Parties. Any amendments must be in writing and approved by the duly authorized representatives of each Party. Any amendment to this MOU, except for the List of Regulated Entities that is not part of this MOU, is subject to applicable Ministerial or Governmental approvals.

(b) Any provincial or territorial securities regulatory authority having or soon to have regulatory authority over a Regulated Entity may become a Party to this MOU by obtaining the written consent of the other Parties. Upon obtaining the consent of the other Parties, the authority will execute a counterpart of this MOU and provide an original copy of the counterpart to each of the other Parties.

12. Escalation Process

(a) The Parties will act in good faith to resolve, amongst themselves and/or within the context of discussions of the Oversight Committee, any disputes or disagreements that arise between two or more Parties ("Disputing Parties").

(b) In the event that disputes or disagreements cannot be resolved through discussions among Disputing Parties and/or within the context of discussions of the Oversight Committee, the disputes or disagreements will be escalated for resolution as follows:

(i) Within ten (10) business days of an acknowledgement by the Disputing Parties of a failure to resolve a dispute or disagreement, the Disputing Parties will use their best efforts to arrange for senior staff representatives of the Disputing Parties to discuss the issues and attempt to reach a consensus.

(ii) If, after discussions, senior staff representatives of the Disputing Parties are unable to reach a consensus, the Disputing Parties will, as soon as practicable, escalate the disagreement to the CSA's Policy Coordination Committee for policy matters, the Executive Directors' Committee for operational matters, or such other process as agreed to by the Disputing Parties.

13. Withdrawal from the MOU

(a) A Party may withdraw from this MOU at any time upon giving the other Parties at least ninety (90) days prior written notice. During the notice period, a Party wishing to withdraw from this MOU will continue to cooperate in accordance with this MOU. A Party that withdraws from this MOU will continue to treat information that it obtained under this MOU in the manner prescribed by Article 6. If any Party withdraws from this MOU, the MOU will remain in effect between the remaining Parties.

14. Effective Date and Execution

(a) This MOU will become effective on the date (Effective Date) that all of the following requirements are met:

(i) the MOU is signed by all of the Parties; and

(ii) all applicable Ministerial or governmental approvals are obtained and notice of such approval is provided to all of the parties.

(b) This MOU may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be deemed to be the original, and those counterparts will together constitute one and the same instrument.

IN WITNESS WHEREOF the duly authorized signatories of the Parties below have signed this MOU to be effective on the Effective Date of the MOU.

Alberta Securities Commission

Per: "*Tom Cotter*"

Title: Interim Chair and Chief Executive Officer

Signed November 12, 2015.

Autorité des marchés financiers

Per: "*Louis Morisset*"

Title: President and Chief Executive Officer

Signed November 20, 2015

British Columbia Securities Commission

Per: "*Brenda Leong*"

Title: Chair and Chief Executive Officer

Signed November 30, 2015.

Financial and Consumer Affairs Authority of Saskatchewan

Per: "*Roger Sobotkiewicz*"

Title: Acting Chair and Chief Executive Officer

Signed November 30, 2015.

Financial and Consumer Services Commission (New Brunswick)

Per: "*Peter Klohn*"

Title: Chair

Signed November 30, 2015.

The Manitoba Securities Commission

Per: "*Don Murray*"

Title: Chair

Signed November 12, 2015.

Nova Scotia Securities Commission

Per: "*Paul E. Radford*"

Title: Chair

Signed November 26, 2015.

Ontario Securities Commission

Per: "*Howard I. Wetston*"

Title: Chair

Signed November 9, 2015.

Schedule 1

List of Regulated Entities, in relation to the Memorandum of Understanding Respecting the Oversight of Clearing Agencies, Trade Repositories and Matching Service Utilities, as of December 3, 2015.

Entity	Type	Lead Authority	Co-Lead Authorities	Reliant Authority(s)
Canadian Depository for Securities Limited	Clearing Agency		AMF, BCSC, OSC	
Canadian Derivatives Clearing Corporation	Clearing Agency		AMF, OSC	BCSC
Chicago Mercantile Exchange Inc.	Trade Repository	OSC		AMF, MSC
DTCC Data Repository LLC	Trade Repository	OSC		AMF, MSC
ICE Clear Canada, Inc.	Clearing Agency	MSC		AMF, OSC
ICE Trade Vault LLC	Trade Repository	OSC		AMF, MSC
LCH.Clearnet Limited	Clearing Agency	OSC		AMF
Natural Gas Exchange Inc.	Clearing Agency	ASC		AMF, OSC, FCAA

1.1.2 Notice of Ministerial Approval of Amendments to NI 45-106 Prospectus Exemptions, NI 41-101 General Prospectus Requirements, NI 44-101 Short Form Prospectus Distributions and NI 45-102 Resale of Securities, and the Repeal of NI 45-101 Rights Offerings, and Consequential Amendments

NOTICE OF MINISTERIAL APPROVAL OF

AMENDMENTS TO NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS*,

AND TO

NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*,

AND TO

NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS*,

AND TO

NATIONAL INSTRUMENT 45-102 *RESALE OF SECURITIES*,

AND

THE REPEAL OF NATIONAL INSTRUMENT 45-101 *RIGHTS OFFERINGS*

AND

CONSEQUENTIAL AMENDMENTS

December 3, 2015

On November 19, 2015, the Minister of Finance approved amendments (**Amendments**) made by the Ontario Securities Commission (**OSC** or the **Commission**) to:

(a) amend each of the following:

- National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**),
- National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**),
- National Instrument 44-101 *Short Form Prospectus Distributions*,
- National Instrument 45-102 *Resale of Securities*,

(b) repeal of National Instrument 45-101 *Rights Offerings* (**NI 45-101**), and

(c) make consequential amendments to each of the following:

- National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*,
- Multilateral Instrument 13-102 *System Fees for SEDAR and NRD*,
- Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*,
- Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*, and
- Ontario Securities Commission Rule 13-502 *Fees*.

The Amendments, together with related policy changes, were made by the Commission on August 11, 2015. The Commission made changes to Companion Policy 45-106CP to NI 45-106 and Companion Policy 41-101CP to NI 41-101 and withdrew Companion Policy 45-101CP to NI 45-101.

The Amendments were published on the OSC website at http://www.osc.gov.on.ca and in the OSC Bulletin at (2015) 38 OSCB 8277 on September 24, 2015. The Amendments come into force on December 8, 2015. The text of the Amendments, as well as the related policy changes, is reproduced in Chapter 5 of this Bulletin.

1.1.3 Notice of Ministerial Approval of Amendments to Ontario Securities Commission Rule 13-502 Fees

NOTICE OF MINISTERIAL APPROVAL OF
AMENDMENTS TO ONTARIO SECURITIES COMMISSION RULE 13-502 *FEES*

December 3, 2015

On November 19, 2015, the Minister of Finance approved amendments (the **Amendments**) made by the Ontario Securities Commission (**OSC** or the **Commission**) to Ontario Securities Commission Rule 13-502 *Fees*.

The Amendments were made by the Commission on September 22, 2015.

The Amendments were published on the OSC website at http://www.osc.gov.on.ca and in the OSC Bulletin at (2015) 38 OSCB 8533 on October 1, 2015.

The Amendments come into force on December 15, 2015.

The text of the Amendments is reproduced in Chapter 5 of this Bulletin.

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Fred Louis Sebastian – 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
FRED LOUIS SEBASTIAN

NOTICE OF HEARING
(Subsections 127(1) and 127(10))

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on December 16, 2015 at 10:15 a.m.;

TO CONSIDER whether, pursuant to paragraph 4 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Fred Louis Sebastian ("Sebastian") that:

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

   b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Sebastian be prohibited permanently;

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

   d. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Sebastian resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager;

   e. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Sebastian be prohibited permanently from becoming or acting as an officer or director of any issuer, registrant or investment fund manager;

   f. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Sebastian be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter; and

2. to make such other order or orders as the Commission considers appropriate.

BY REASON of the allegations set out in the Statement of Allegations of Staff of the Commission dated November 16, 2015 and by reason of a decision of the Financial and Consumer Affairs Authority of Saskatchewan ("FCAA") dated July 23, 2015, an order of the FCAA dated August 27, 2015, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on December 16, 2015 at 10:15 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

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 17th day of November, 2015.

"Josée Turcotte"

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

AND

IN THE MATTER OF
FRED LOUIS SEBASTIAN

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") allege:

I. OVERVIEW

1. Fred Louis Sebastian ("Sebastian") is subject to an order made by the Financial and Consumer Affairs Authority of Saskatchewan ("FCAA") dated August 27, 2015 (the "FCAA Order") that imposes sanctions, conditions, restrictions or requirements upon him.

2. In its findings on liability dated July 23, 2015 (the "Findings"), a panel of the FCAA (the "FCAA Panel") found that Sebastian acted as a dealer and adviser without being registered to do so and made an undertaking to an investor as to the future value of a security. The FCAA Panel further found that Sebastian perpetrated a fraud.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the FCAA Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

4. The conduct for which Sebastian was sanctioned took place in approximately 2012 (the "Material Time").

5. During the Material Time, Sebastian was a resident of Saskatchewan. As of the date of the Findings, Sebastian had never been registered as a dealer or adviser under the Saskatchewan *Securities Act 1988*, S.S. 1988-89 C. S-42.2, as amended (the "Saskatchewan Act").

6. During the Material Time, Sebastian befriended an elderly investor who was a resident of the same retirement home as Sebastian's mother, regularly visiting the investor to play cards and accepting small loans from her. Sebastian presented himself as a successful businessman and introduced the investor to an investment opportunity in a corporation known as E-Debit, which trades on the over the counter market. Sebastian advised the investor not to tell her family about the investment, and claimed that the investor would double or triple her money within a few months.

7. Sebastian accepted five cheques from the investor totalling $47,000 on the premise she would be investing in E-Debit. However, each of the investor's cheques were instead deposited into Sebastian's personal bank account, where the funds were utilized for the purpose of repayment of some of Sebastian's personal loans and for various personal purchases. In response to requests for transaction documentation from the investor's children, Sebastian subsequently provided the investor with four promissory notes in respect of the investor's funds, which were neither invested in E-Debit as promised, nor recovered.

II. THE FCAA PROCEEDINGS

The FCAA Findings

8. In its Findings, the FCAA Panel found the following:

   a. Sebastian acted as a dealer and adviser without being registered contrary to clauses 27(2)(a) and 27(2)(b) of the Saskatchewan Act;

   b. Sebastian made an oral undertaking to an investor as to the future value of a security, with intention of effecting a trade in that security, contrary to subsection 44(2) of the Saskatchewan Act; and

   c. Sebastian perpetrated a fraud, contrary to clause 55.1(b) of the Saskatchewan Act.

The FCAA Order

9. The FCAA Order imposed the following sanctions, conditions, restrictions or requirements upon Sebastian:

   a. pursuant to clause 134(1)(a) of the Saskatchewan Act, all of the exemptions in Saskatchewan securities laws do not apply to Sebastian, permanently;

   b. pursuant to clause 134(1)(d) of the Saskatchewan Act, Sebastian shall cease trading in any securities or exchange contracts in Saskatchewan, permanently;

   c. pursuant to clause 134(1)(d.1) of the Saskatchewan Act, Sebastian shall cease acquiring securities for and on behalf of residents of Saskatchewan, permanently;

   d. pursuant to clause 134(1)(e) of the Saskatchewan Act, Sebastian shall cease giving advice respecting securities, trades or exchange contracts in Saskatchewan;

   e. pursuant to clause 134(1)(h)(i) of the Saskatchewan Act, Sebastian shall resign any position that he holds as a director or officer of any issuer, registrant or investment fund manager;

   f. pursuant to clause 134(1)(h)(ii) of the Saskatchewan Act, Sebastian is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, permanently;

   g. pursuant to clause 134(1)(h)(iii) of the Saskatchewan Act, Sebastian shall not be employed by any issuer, registrant or investment fund manager in any capacity that would entitle him to trade or advise in securities;

   h. pursuant to clause 134(1)(h.1) of the Saskatchewan Act, Sebastian is prohibited from becoming or acting as a registrant, an investment fund manager or a promoter, permanently;

   i. pursuant to section 135.1 of the Saskatchewan Act, Sebastian shall pay an administrative penalty to the FCAA in the amount of $75,000; and

   j. pursuant to section 161 of the Saskatchewan Act, Sebastian shall pay to the FCAA costs of and related to the FCAA hearing in the amount of $4,513.48.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

10. Sebastian is subject to an order of the FCAA imposing sanctions, conditions, restrictions or requirements upon him.

11. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.

12. Staff allege that it is in the public interest to make an order against Sebastian.

13. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

14. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

DATED at Toronto, this 16th day of November, 2015.

1.3.2 Hussain Dhala – 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
HUSSAIN DHALA

NOTICE OF HEARING
(Subsections 127(1) and 127(10))

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on December 16, 2015 at 10:00 a.m.;

TO CONSIDER whether, pursuant to paragraph 4 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Hussain Dhala ("Dhala") that:

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

   b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Dhala be prohibited permanently;

   c. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Dhala resign any positions that he holds as director or officer of any issuer or registrant;

   d. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Dhala be prohibited permanently from becoming or acting as an officer or director of any issuer or registrant;

   e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Dhala be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter; and

2. to make such other order or orders as the Commission considers appropriate.

BY REASON of the allegations set out in the Statement of Allegations of Staff of the Commission dated November 16, 2015 and by reason of an order of the British Columbia Securities Commission dated August 31, 2015, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on December 16, 2015 at 10:00 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

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 17th day of November, 2015.

"Josée Turcotte"
Secretary to the Commission

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

AND

IN THE MATTER OF
HUSSAIN DHALA

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") allege:

I. OVERVIEW

1. Hussain Dhala ("Dhala") is subject to an order made by the British Columbia Securities Commission ("BCSC") dated August 31, 2015 (the "BCSC Order") that imposes sanctions, conditions, restrictions or requirements upon him.

2. In its findings on liability dated August 31, 2015 (the "Findings"), a panel of the BCSC (the "BCSC Panel") found that Dhala perpetrated a fraud, and made false or misleading statements to BCSC investigation Staff while under oath.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

4. As of the date of the Findings, Dhala was a resident of British Columbia, and had never been registered under the British Columbia *Securities Act*, RSBC 1996, c. 418 (the "BC Act").

5. As of the date of the Findings, Dhala was the sole proprietor of HMD Capital, and HMD Capital had never been registered under the BC Act.

6. The BCSC Panel found that Dhala, a self-employed day trader, told four investors that he had an investment opportunity and could purchase shares for them in a private placement offered by Prophecy Platinum Corporation ("Prophecy"), a TSXV listed company. At Dhala's instruction, the investors gave him $38,250 to purchase the Prophecy shares. Dhala never purchased the shares, however, and instead spent $26,900 of the investors' funds on personal expenses.

7. The BCSC Panel also found that Dhala lied to BCSC Staff during an interview on February 26, 2013, while under oath. During the interview, Dhala stated that he dealt with only one investor with respect to buying shares of Prophecy, which was not true. Dhala had received the $38,250 from the four investors prior to the date of the interview.

II. THE BCSC PROCEEDINGS

The BCSC Findings

8. In its Findings, the BCSC Panel found the following:

   a. Dhala committed fraud with respect to four investors for a total of $38,250, contrary to section 57(d) of the BC Act; and

   b. Dhala made false or misleading statements to BCSC investigators while under oath, contrary to section 168.1(1)(a) of the BC Act.

The BCSC Order

9. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements upon Dhala:

   a. under section 161(1)(b) of the BC Act, that Dhala permanently cease trading in securities and exchange contracts;

   b. under sections 161(1)(d)(i) and (ii) of the BC Act, that Dhala resign any position as, and is permanently prohibited from becoming or acting as a director or officer of any issuer or registrant;

c. under section 161(1)(d)(iii) of the BC Act, that Dhala be permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;

d. under section 161(1)(d)(iv) of the BC Act, that Dhala be permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;

e. under section 161(1)(d)(v) of the BC Act, that Dhala is permanently prohibited from engaging in investor relations activities;

f. under section 161(1)(g) of the BC Act, that Dhala disgorge to the BCSC $26,900; and

g. under section 162 of the BC Act, that Dhala pay an administrative penalty to the BCSC of $125,000, where $100,000 of such fine is in respect of Dhala's fraudulent misconduct and $25,000 of such fine is in respect of Dhala's contravention of section 168.1(1)(a) of the BC Act.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

10. Dhala is subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon him.

11. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.

12. Staff allege that it is in the public interest to make an order against Dhala.

13. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

14. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

DATED at Toronto, this 16th day of November, 2015.

1.3.3 Neil Suresh Chandran et al. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
NEIL SURESH CHANDRAN, ENERGY TV INC.,
CHANDRAN HOLDING MEDIA, INC.,
also known as CHANDRAN HOLDINGS & MEDIA INC., and
NEIL SURESH CHANDRAN doing business as CHANDRAN MEDIA

NOTICE OF HEARING
(Subsections 127(1) and 127(10))

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on December 16, 2015 at 10:30 a.m.;

TO CONSIDER whether, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Neil Suresh Chandran ("Chandran") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Chandran cease permanently, except that he may trade securities through a registrant (who has first been given copies of the Order of the Alberta Securities Commission (the "ASC") dated May 19, 2015 (the "ASC Order"), the Statement of Admissions and Joint Recommendation as to Sanction entered into between Chandran, Chandran doing business as Chandran Media ("Chandran Media"), Energy TV Inc. ("TV") and Chandran Holding Media, Inc., also known as Chandran Holdings & Media Inc. ("Holdings") and ASC Staff (the "Statement"), and a copy of the Order of the Commission in this proceeding, if granted), in registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or in comparable plans, funds or accounts under United States income tax laws, operated in each case for the benefit of himself or one or more members of his immediate family;

    b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Chandran be prohibited permanently, except that he may acquire securities through a registrant (who has first been given copies of the ASC Order, the Statement and a copy of the Order of the Commission in this proceeding, if granted), in registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or in comparable plans, funds or accounts under United States income tax laws, operated in each case for the benefit of himself or one or more members of his immediate family;

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

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

    e. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Chandran be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and

    f. pursuant to paragraph 8.5 of subsection 127(1), Chandran be prohibited permanently from becoming or acting as a registrant;

2. against TV that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of TV cease permanently;

    b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by TV cease permanently;

c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by TV be prohibited permanently;

d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws do not apply to TV permanently; and

e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, TV be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

3. against Holdings that:

a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Holdings cease permanently;

b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Holdings cease permanently;

c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Holdings be prohibited permanently;

d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws do not apply to Holdings permanently; and

e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Holdings be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

4. against Chandran Media that:

a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Chandran Media cease permanently;

b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Chandran Media cease permanently;

c. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Chandran Media be prohibited permanently;

d. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws do not apply to Chandran Media permanently;

e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Chandran Media be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter; and

5. to make such other order or orders as the Commission considers appropriate.

BY REASON of the allegations set out in the Statement of Allegations of Staff of the Commission dated November 16, 2015 and by reason of the ASC Order, the Statement, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on December 16, 2015 at 10:30 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

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 17th day of November, 2015.

"Josée Turcotte"
Secretary to the Commission

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

AND

IN THE MATTER OF
NEIL SURESH CHANDRAN, ENERGY TV INC.,
CHANDRAN HOLDING MEDIA, INC.,
also known as CHANDRAN HOLDINGS & MEDIA INC., and
NEIL SURESH CHANDRAN doing business as CHANDRAN MEDIA

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") allege:

I. OVERVIEW

1. Neil Suresh Chandran ("Chandran"), Energy TV Inc. ("TV"), Chandran Holding Media, Inc., also known as Chandran Holdings & Media Inc. ("Holdings"), and Chandran doing business as Chandra Media ("Chandran Media") (collectively, the "Respondents") are subject to an order made by the Alberta Securities Commission (the "ASC") dated May 19, 2015 (the "ASC Order") that imposes sanctions, conditions, restrictions or requirements upon them.

2. In its decision dated May 19, 2015 (the "ASC Decision"), a panel of the ASC (the "ASC Panel") found that each of the Respondents engaged in unregistered trading and illegal distribution of securities, and breached filing requirements of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106").

3. The ASC Panel further found that TV and Holdings made prohibited representations to investors with respect to TV securities, and that Chandran authorized, permitted or acquiesced in the breaches of Alberta securities laws by each of TV, Holdings and Chandran Media.

4. Staff are seeking an inter-jurisdictional enforcement order reciprocating the ASC Order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, R..S.O. 1990, c. S.5, as amended (the "Act").

5. The conduct for which the Respondents were sanctioned took place between approximately March 1, 2007 and June 30, 2009 (the "Material Time").

6. At the time of the ASC proceedings, Chandran was a resident of Calgary, Alberta. During the Material Time, Chandran was the guiding mind of, and authorized, permitted or acquiesced in the conduct of TV, Holdings and Chandran Media.

7. TV was incorporated in Alberta in 2006. During the Material Time, TV raised capital for, and was engaged in, the media production business (specifically television, video and web-based products) from offices in Calgary, Vancouver, Toronto, Las Vegas and Los Angeles. Chandran was the founder, president, and sole director and shareholder of TV. TV has never been a reporting issuer in Alberta, has never been registered with the ASC and has never filed a prospectus with the ASC.

8. Holdings was incorporated in Nevada in 2007. During the Material Time, Holdings also raised capital for, and was engaged in, similar media production business as TV's, and carried on business from offices in Calgary and Las Vegas. Chandran was president and a director of Holdings. Holdings has never been a reporting issuer in Alberta, has never been registered with the ASC and has never filed a prospectus with the ASC.

9. Chandran used the Chandran Media name to carry on business in Alberta raising capital for television, video and web-based products. Chandran Media was never a reporting issuer in Alberta, has never been registered with the ASC and has never filed a prospectus with the ASC.

10. During the Material Time, the Respondents raised approximately $30 million from at least 210 investors. Funds were raised by selling shares (presumably of either or both of TV and Holdings) or entering into arrangements identified variously as loan agreements (either TV or Chandran Media apparently as borrower) or (the following all apparently involving TV) as "Factoring," "Production Partner," "Managed Licensee" or "Event Sponsorship" agreements or "Episodic Production Debentures." Different terms attached to each, but seemingly very attractive returns were a common feature: for example, certain of the "Production Partner" agreements were to deliver "returns of between 800% [and] 1000% within a year"; 30-day to 3-month loan agreements offered returns of 50% to 20 times the amount

invested; "Managed Licensee" agreements were to pay returns of 720% to 1,320% over 39- to 51-month terms; and the debentures were to pay an annual return of 100%.

11. Exemptions were not available for most of the trades in TV, Holdings and Chandran Media securities. TV filed reports of exempt distribution under section 6.1 of NI 45-106, but only in respect of $5,353,650 of its distributions. Holdings and Chandran Media filed no such reports.

12. During the Material Time, TV and Holdings also entered into "Letters of Acknowledgement and Intent to Transfer/Sell" agreements with many investors, whereby TV and Holdings acknowledged the amounts outstanding to investors, and made prohibited representations that the investors would be refunded the purchase price they paid for TV securities.

II. THE ASC PROCEEDINGS

Statement of Admissions and Joint Recommendation as to Sanction

13. Prior to the commencement of the ASC proceedings, the Respondents and ASC Staff entered into a Statement of Admissions and Joint Recommendation as to Sanction (the "Statement"). The Respondents each made admissions in the Statement concerning the respective allegations against them, and further admitted that their conduct was contrary to the public interest.

The ASC Decision

14. The ASC Panel found the following, consistent with the admissions of the Respondents contained within the Statement:

   a. each of the Respondents engaged in unregistered trading and illegal distributions, sections 75(1)(a) and 110 of the ASA;

   b. each of TV, Holdings and Chandran Media failed to file reports of exempt distribution, contrary to section 6.1 of NI 45-106;

   c. TV and Holdings made prohibited representations to investors, contrary to section 92(1)(b) of the ASA;

   d. Chandran authorized, permitted or acquiesced in the conduct of TV, Holdings and Chandran Media; and

   e. the Respondents' conduct was contrary [to] the public interest.

The ASC Order

15. The ASC Order imposed the following sanctions, conditions, restrictions or requirements upon the Respondents:

   a. against Chandran:

      i. under sections 198(1)(b) and (c) of the ASA, Chandran must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently, except that the ASC Order does not preclude him from trading in or purchasing securities through a registrant (who has first been given copies of the ASC Order and the Statement) in registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or in comparable plans, funds or accounts under United States income tax laws, operated in each case for the benefit of himself or one or more members of his immediate family;

      ii. under sections 198(1)(d) and (e) of the ASA, Chandran must resign all positions he holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, permanently;

      iii. under section 198(1)(e.1) of the ASA, Chandran is prohibited from advising in securities or derivatives, permanently;

      iv. under section 198(1)(e.3) of the ASA, Chandran is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently; and

      v. under section 199 of the ASA, Chandran must pay to the ASC an administrative penalty of $400,000;

b. against TV, Holdings and Chandran Media:

   i. under section 198(1)(a) of the ASA, all trading in or purchasing of securities of any of TV, Holdings and Chandran Media must cease, permanently;

   ii. under sections 198(1)(b) and (c) of the ASA, TV, Holdings and Chandran Media must each cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to them, permanently; and

   iii. under sections 198(1)(e.2) and (e.3) of the ASA, TV, Holdings and Chandran Media are each prohibited from becoming or acting as a registrant, investment fund manager or promoter, and from acting in a management or consultative capacity in connection with activities in the securities market, permanently; and

c. under section 202 of the ASA, the Respondents must pay to the ASC, jointly and severally, $60,000 of the costs of the ASC's investigation and hearing.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

16. The Respondents are subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements upon them.

17. Pursuant to paragraphs 4 and 5 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.

18. Staff allege that it is in the public interest to make an order against the Respondents.

19. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

20. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*, (2014) 37 OSCB 4168.

DATED at Toronto, this 16th day of November, 2015.

1.5 Notices from the Office of the Secretary

1.5.1 Quadrexx Hedge Capital Management Ltd. et al.

FOR IMMEDIATE RELEASE
November 25, 2015

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits in this matter shall continue on December 7, 8, 9, 10, 14, 16, 17 and 18, 2015 and January 18, 19, 20, 21 and 22, 2016, commencing on each day at 10:00 a.m.

A copy of the Order dated November 25, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Fred Louis Sebastian

FOR IMMEDIATE RELEASE
November 26, 2015

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

AND

IN THE MATTER OF
FRED LOUIS SEBASTIAN

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on December 16, 2015 at 10:00 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated November 17, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 16, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
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OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.5.3 Hussain Dhala

FOR IMMEDIATE RELEASE
November 26, 2015

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

AND

IN THE MATTER OF
HUSSAIN DHALA

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on December 16, 2015 at 10:15 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated November 17, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 16, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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For investor inquiries:

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

1.5.4 Pro-Financial Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
November 26, 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 an Order in the above named matter which provides that the Preliminary Determination Motion is dismissed with reasons to follow.

A copy of the Order dated November 26, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.5 Black Panther Trading Corporation and Charles Robert Goddard

FOR IMMEDIATE RELEASE
November 26, 2015

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

IN THE MATTER OF
BLACK PANTHER TRADING CORPORATION AND
CHARLES ROBERT GODDARD

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

1. Staff shall provide disclosure to the Respondents by December 24, 2015, of documents and things in the possession or control of Staff that are relevant to the proceeding;

2. This proceeding is adjourned to a hearing to be held on March 16, 2016, at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing at 1:00 p.m. or as soon thereafter as the hearing can be held;

3. Any motions for disclosure by the Respondents shall be set out in a Notice of Motion filed no later than March 4, 2016, and will be heard or scheduled for a subsequent date at the March 16 hearing; and

4. Staff shall make disclosure of its preliminary witness list and statements and indicate any intent to call an expert witness, and provide the Respondents the name of the expert and state the issue on which the expert will be giving evidence, by March 11, 2016;

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.6 Weizhen Tang

FOR IMMEDIATE RELEASE
November 27, 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:

(a) Tang shall file witness statements for the witnesses he intends to summon by no later than December 18, 2015, setting out their names and disclosing the substance of their anticipated evidence at the Merits Hearing;

(b) Staff and Tang shall each deliver a Hearing Brief by no later than December 18, 2015;

(c) A further pre-hearing conference is scheduled for December 18, 2015 at 9:00 a.m.; and

(d) The hearing dates of January 13, 14, and 15, 2016 scheduled for the Merits Hearing are vacated, and the Merits Hearing shall take place on February 17, 18, and 19, 2016.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.7 Paul Azeff et al.

FOR IMMEDIATE RELEASE
November 30, 2015

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

TORONTO – Take notice that the Ontario Securities Commission will hold a hearing to consider a matter filed pursuant to Rules 3 and 4 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 8 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended at the offices of the Commission, at 20 Queen Street West, 17th Floor, Toronto, Ontario, M5H 3S8, commencing on December 3, 2015 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.8 Eda Marie Agueci et al.

FOR IMMEDIATE RELEASE
November 30, 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 the Sanctions and Costs Order is varied solely to amend paragraph 1(a) such that, as amended, it will read as follows:

1. With respect to Agueci:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Agueci shall cease permanently, except that Agueci shall be permitted to trade:

      i. for the sole purpose of liquidating all securities held at Assante Asset Management Ltd. in her name for the purpose of directing part of the proceeds of the liquidation to be paid directly to the Commission in the amount of $650,000 and the remaining proceeds to be used by Agueci for any proper purpose not inconsistent with the within order;

      ii. mutual funds, exchange-traded funds, government bonds and/or guaranteed investment certificates ("GICs") for the account of any registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF") and tax free savings account ("TFSA"), as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended (the "Income Tax Act"), in which Agueci has sole legal and beneficial ownership;

      iii. solely through a registered dealer in Ontario, to whom Agueci must have given a copy of this order; and

      iv. only after the amounts ordered in subparagraphs 1(g) and 1(h) have been paid in full;

A copy of the Order dated November 30, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.9 Neil Suresh Chandran et al.

FOR IMMEDIATE RELEASE
November 30, 2015

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

AND

IN THE MATTER OF
NEIL SURESH CHANDRAN, ENERGY TV INC.,
CHANDRAN HOLDING MEDIA, INC.,
also known as CHANDRAN HOLDINGS & MEDIA INC.,
and NEIL SURESH CHANDRAN
doing business as CHANDRAN MEDIA

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to Subsections 127(1) and 127(10) of the *Securities Act* setting the matter down to be heard on December 16, 2015 at 10:30 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated November 17, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 16, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

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For investor inquiries:

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

1.5.10 Pro-Financial Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
December 1, 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 Preliminary Determination of an Issue) in the above named matter.

A copy of the Reasons and Decision dated November 30, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.11 Quadrus Investment Services Ltd.

FOR IMMEDIATE RELEASE
December 1, 2015

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

AND

IN THE MATTER OF
QUADRUS INVESTMENT SERVICES LTD.

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

A copy of the Oral Ruling and Reasons dated November 30, 2015 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.12 2 Wongs Make It Right Enterprises Ltd. et al.

FOR IMMEDIATE RELEASE
December 1, 2015

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

AND

IN THE MATTER OF
2 WONGS MAKE IT RIGHT ENTERPRISES LTD.,
1409779 ALBERTA LTD. o/a CANREIG EDMONTON,
INTEGRITY PLUS MANAGEMENT INC.,
KHOM WONG, also known as KHOM NGOAN HUYNH,
and JANEEN WONG, also known as
JANEED M. SCHIMPF

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

A copy of the Reasons and Decision dated November 30, 2015 and the Order dated November 30, 2015 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Sun Life Global Investments (Canada) Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Investment fund manager granted exemption from subsection 5.1(a) of NI 81-105 to allow it to pay to a participating dealer direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer which has a primary purpose of providing educational information on financial planning matters.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 5.1(a), 9.1.

November 24, 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)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from subsection 5.1(a) of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) to permit the Filer to pay to a participating dealer direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer (collectively, the **Cooperative Marketing Initiatives** and each a **Cooperative Marketing Initiative**) if the primary purpose of the Cooperative Marketing Initiative is to promote, or provide educational information concerning investment, retirement, tax and estate planning (collectively, **Financial Planning**) matters (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 National Instrument 14-101 *Definitions*, MI 11-102 or NI 81-105 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 Ontario with its head office based in Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, a mutual fund dealer in each of the Jurisdictions, and a commodity trading manager and portfolio manager in Ontario.

3. The Filer is an indirect wholly-owned subsidiary of Sun Life Financial Inc. (**SLF**), a company with shares listed on, among others, the Toronto Stock Exchange.

4. Sun Life Assurance Company of Canada (**SLA**) is an insurance company authorized to carry on business under the *Insurance Companies Act* (Canada) and regulated by the Office of the Superintendent of Financial Institutions (**OSFI**) and is a wholly-owned subsidiary of SLF.

5. The Filer is the manager of the Sun Life Global Investments mutual funds (the Funds), which are retail mutual funds, the securities of which are qualified for distribution to investors in each of the Jurisdictions pursuant to various simplified prospectuses, as they may be amended or renewed from time to time.

6. Securities of the Funds are distributed by participating dealers in the Jurisdictions.

7. Each of the Filer, SLA and SLF is a "member of the organization" (as that term is defined in NI 81-105) of the Funds, as the Filer is the manager of the Funds and SLA and SLF are affiliates of the Filer.

8. The Filer complies with NI 81-105, and in particular Part 5 of NI 81-105, in respect of its marketing and educational practices.

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

10. Under Subsection 5.1(a) of NI 81-105, the Filer is permitted to pay direct costs incurred by a participating dealer where the purpose of the Cooperative Marketing Initiative is to promote or provide educational information about the Funds, the mutual fund family of which the Funds are members, or mutual funds generally.

11. Subsection 5.1(a) of NI 81-105 prohibits the Filer from paying direct costs incurred by a participating dealer relating to a Cooperative Marketing Initiative where the primary purpose is to provide educational information about Financial Planning matters. Consequently, the Filer is not permitted to sponsor the cost of sales communications, investor seminars or investor conferences prepared or presented by participating dealers where the main topics discussed include investment planning, retirement planning, tax planning and estate planning, each of which are aspects of Financial Planning.

12. The Filer and its affiliates have expertise in Financial Planning matters or may retain others with such expertise.

13. In addition to the topics currently permitted under subsection 5.1(a) of NI 81-105, the Filer wishes to sponsor Cooperative Marketing Initiatives where the primary purpose of the Cooperative Marketing Initiatives is to provide educational information concerning Financial Planning matters. The Filer will comply with Subsections 5.1(b) to (e) of NI 81-105 in respect of such Cooperative Marketing Initiatives it sponsors.

14. Mutual funds, including the Funds managed by the Filer, can be used to meet a variety of financial goals and accordingly are regularly used as financial planning tools. The Filer's sponsorship of Cooperative Marketing Initiatives where the primary purpose is to provide educational information about Financial Planning matters may benefit investors, as it may facilitate and potentially increase investors' access to educational information on such matters, which may in turn better equip them to make financial decisions that involve mutual funds.

15. Under Sections 5.2 and 5.5 of NI 81-105, the Filer is permitted to sponsor the costs incurred by participating dealers in attending or organizing and presenting at conferences where the primary purpose is the provision of educational information on, among other things, financial planning.

16. Specifically, under subsection 5.2(a) of NI-81-105, the Filer is permitted to provide a non-monetary benefit to a representative of a participating dealer by allowing him or her to attend a conference or seminar organized and presented by the Filer where the primary purpose is the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters.

17. Similarly, under subsection 5.5(a) of NI 81-105, the Filer is permitted to pay to a participating dealer part of the direct costs the participating dealer incurs in organizing or presenting at a conference or seminar that is not an investor conference or investor seminar referred to in section 5.1, where the primary purpose is the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters.

18. The Filer will not require participating dealers to sell any of its Funds or other financial products to investors as a condition of the Filer's sponsorship of a Cooperative Marketing Initiative.

19. The Filer will pay for its sponsorship of a Cooperative Marketing Initiative out of its normal sources of revenue. Accordingly, the sponsorship cost will not be borne by the Funds.

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 in respect of a Cooperative Marketing Initiative whose primary purpose is to provide educational information concerning Financial Planning matters:

(a) the Filer otherwise complies with the requirements of subsections 5.1(b) through (e) of NI 81-105;

(b) the Filer does not require any participating dealer to sell any of the Funds or other financial products to investors;

(c) other than as permitted by NI 81-105, the Filer does not provide participating dealers and their representatives with any financial or other incentives for recommending any of its Funds to investors;

(d) the materials presented in a Cooperative Marketing Initiative concerning Financial Planning matters contain only general educational information about such matters;

(e) the Filer prepares or approves the content of the general educational information about Financial Planning matters presented in a Cooperative Marketing Initiative it sponsors and selects or approves an appropriately-qualified speaker for each presentation about such matters delivered in a Cooperative Marketing Initiative;

(f) any general educational information about Financial Planning matters presented in a Cooperative Marketing Initiative contains an express statement that the content presented is for information purposes only, and is not providing advice to the attendees of the investor conference or investor seminar or the recipients of the sales communication, as applicable; and

(g) any general educational information about Financial Planning matters presented in a Cooperative Marketing Initiative contains an indication of the types of professionals who may generally be qualified to provide advice on the subject matter of the information presented.

“Timothy Moseley”
Commissioner
Ontario Securities Commission

“Mary G. Condon”
Commissioner
Ontario Securities Commission

2.1.2 Computer Sciences Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus requirements to allow U.S. parent company to spin-off shares of its U.S. subsidiary to investors – distributions not covered by legislative exemptions – U.S. parent company is a public company in the U.S. but is not a reporting issuer in Canada – U.S. company has a *de minimis* presence in Canada – following the spin-off, U.S. subsidiary will become an independent public company in the U.S. and will not be a reporting issuer in Canada – no investment decision required from Canadian shareholders in order to receive distributions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5., as am., ss. 53, 74(1).

November 24, 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
COMPUTER SCIENCES 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 (the “**Legislation**”) for an exemption (the “**Exemption Sought**”) from the prospectus requirement of section 53 of the *Securities Act* (Ontario) (the “**Act**”) in connection with the proposed distribution (the “**Spin-Off**”) by the Filer of the shares of common stock of Computer Sciences Government Services Inc. (to be renamed “CSRA Inc.”) (“**CSGS**”), a direct wholly-owned subsidiary of the Filer, by way of a dividend *in specie* to holders (“**Filer Shareholders**”) of shares of common stock of the Filer (“**Filer Shares**”) resident in Canada (“**Filer Canadian Shareholders**”).

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.

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated in Nevada with principal executive offices in Falls Church, Virginia, U.S.A. The Filer is a provider of next generation information technology services and solutions.

2. The Filer is not a reporting issuer and, currently, has no intention of becoming a reporting issuer under the securities laws of any province or territory of Canada.

3. The authorized capital of the Filer consists of 750 million Filer Shares and one million shares of preferred stock. As of November 19, 2015, there were 139,128,158 Filer Shares and no shares of preferred stock issued and outstanding.

4. Filer Shares are listed on the New York Stock Exchange (the "**NYSE**") and trade under the symbol "CSC". Other than the foregoing listing on the NYSE, no securities of the Filer are listed or posted for trading on any exchange or market in Canada or outside of Canada. The Filer has no present intention of listing its securities on any Canadian stock exchange.

5. The Filer is subject to the United States *Securities Exchange Act of 1934* (the "**1934 Act**") and the rules, regulations and orders promulgated thereunder.

6. Based on a report provided by Computershare Inc. (the Filer's transfer agent), as of October 31, 2015, there were 8 registered Filer Canadian Shareholders holding approximately 1,753 Filer Shares, representing approximately 0.14% of the registered shareholders of the Filer worldwide and holdings of approximately 0.0013% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

7. Based on a "Geographic Analysis Report" of beneficial shareholders prepared for the Filer by Broadridge Financial Solutions, Inc., as of September 15, 2015, there were 232 beneficial Filer Canadian Shareholders, representing approximately 1.14% of the beneficial holders of Filer Shares worldwide, holding approximately 587,240 Filer Shares, representing approximately 0.42% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

8. Based on the information above, the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders are *de minimis*.

9. The Filer is proposing to spin off its mission-specific information technology, infrastructure and services businesses catering to United States federal, state and defense agencies (the "**CSGS business**") into a newly formed independent company, CSGS, through a series of transactions. These transactions are expected to result in the Spin-Off by the Filer, *pro rata* to its shareholders, of 100% of the outstanding shares in the common stock of CSGS ("**CSGS Shares**"). Each Filer Shareholder will receive one CSGS Share for each Filer Share. Immediately thereafter, holders of CSGS Shares will receive a special cash dividend of U.S.$10.50 per CSGS Share (of which U.S.$8.25 will be paid by CSGS and U.S.$2.25 will be paid by the Filer).

10. CSGS is a Nevada corporation with principal executive offices in Falls Church, Virginia, U.S.A. It is currently a wholly-owned subsidiary of the Filer that, at the time of the Spin-Off, will hold the Filer's CSGS business.

11. As of the date hereof, all of the issued and outstanding CSGS Shares, being 1,000 CSGS Shares, are held by the Filer, and no other shares or classes of stock of CSGS are issued and outstanding.

12. Fractional shares of CSGS Shares will not be distributed in connection with the Spin-Off. Fractional shares will be rounded down to the nearest whole share. There will be no pay-out of fractional shares.

13. Filer Shareholders will not be required to pay any consideration for the CSGS Shares, or to surrender or exchange Filer Shares or take any other action to receive their CSGS Shares. The Spin-Off will occur automatically and without any investment decision on the part of Filer Shareholders.

14. Following the Spin-Off, CSGS will cease to be a subsidiary of the Filer.

15. CSGS has applied to have the CSGS Shares listed on the NYSE under the symbol "CSRA" before the Spin-Off.

16. After the completion of the Spin-Off, the Filer will continue to be listed and traded on the NYSE.

17. CSGS is not a reporting issuer in any province or territory in Canada nor are its securities listed on any stock exchange in Canada. CSGS has no present intention to become a reporting issuer in any province or territory of Canada or to list its securities on any stock exchange in Canada after the completion of the Spin-Off.

18. The Spin-Off will be effected under the laws of the State of Nevada.

19. Because the Spin-Off will be effected by way of a dividend of CSGS Shares to Filer Shareholders, no shareholder approval of the proposed transaction is required (or being sought) under Nevada law.

20. In connection with the Spin-Off, CSGS has filed with the United States Securities and Exchange Commission (the "**SEC**") a registration statement on Form 10 (the "**Registration Statement**") under the 1934 Act, detailing the proposed Spin-Off. CSGS initially filed the Registration Statement with the SEC on July 10, 2015 and subsequently filed amendments to the Registration Statement on August 17, 2015, September 21, 2015, October 15, 2015, October 27, 2015, November 4, 2015 and November 6, 2015.

21. All materials relating to the Spin-Off sent by or on behalf of the Filer to holders of Filer Shares in the United States (including the information statement ("**Information Statement**") forming part of the Registration Statement) have been sent concurrently to Filer Canadian Shareholders.

22. The Information Statement contains prospectus level disclosure about CSGS.

23. Filer Canadian Shareholders who receive CSGS Shares pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Off that are available to Filer Shareholders resident in the United States.

24. Following the completion of the Spin-Off, CSGS will send concurrently to holders of CSGS Shares resident in Canada the same disclosure materials required to be sent under applicable United States securities laws to holders of CSGS Shares resident in the United States.

25. There will be no active trading market for the CSGS Shares in Canada following the Spin-Off and none is expected to develop. Consequently, it is expected that any resale of CSGS Shares distributed in connection with the Spin-Off will occur through the facilities of the NYSE.

26. The Spin-Off to Filer Canadian Shareholders would be exempt from the prospectus requirements pursuant to subsection 2.31(2) of National Instrument 45-106 *Prospectus Exemptions* but for the fact that CSGS is not a reporting issuer under the securities legislation of any jurisdiction in Canada.

27. Neither the Filer nor CSGS is in default of any securities legislation in any jurisdiction of Canada.

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 the first trade in the CSGS Shares acquired pursuant to the Spin-Off will be deemed to be a distribution unless the conditions in section 2.6 or subsection 2.14(1) of National Instrument 45-102 *Resale of Securities* are satisfied.

"Tim Moseley"
Ontario Securities Commission

"Mary Condon"
Ontario Securities Commission

2.1.3 National Bank Investments Inc.

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Except in British Columbia, a mutual fund dealer selling model portfolios of mutual funds is exempt from registration as an adviser with respect to the Rebalancing and Strategic and Tactical Rebalancing activities carried out by the affiliated advisers to the model portfolios of mutual funds, subject to certain conditions. Incidentally, after launching the new programs, the mutual fund dealer is exempt from obtaining a written confirmation pursuant to section 14.4 NI 31-103 form orphan accounts client.

Applicable Legislative Provisions

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
Multilateral Instrument 11-102 Passport System, ss 4.7(1).
Securities Act (Québec), ss. 148, 149.

[TRANSLATION]

October 30, 2015

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

AND

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

AND

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

DECISION

Background

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

1. the adviser registration requirement in connection with the Rebalancing Activities (as defined below) and the Strategic and Tactical Rebalancing Activities (as defined below) carried out by NBT and NTC (as each is defined below) in connection with the Programs (as defined and described below) (the **Adviser Registration Requirement**); and

2. with respect to Orphaned Accounts (as defined below), the requirement that the Filer must receive written confirmation (the **Written Confirmation**) from a client that the client has read and understood the written notice that has been sent to the client by the Filer upon opening the client's account (the **Written Notice**) notifying the client that the Filer is a separate legal entity from National Bank of Canada before the Filer purchases or sells a security for the client (the **Written Confirmation Requirement**).

The exemption from the Adviser Registration Requirement and from the Written Confirmation Requirement are collectively, the **Exemptions Sought**.

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

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

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

(c) with respect to the Written Confirmation Requirement, the Filer has provided notice that section 4.7(1) of MI 11-102 is intended to be relied upon in British-Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon;

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning 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 with its head office in Montreal, Quebec.

2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador and as a dealer in each of the jurisdictions of Canada in the category of mutual fund dealer and is a member of the Mutual Fund Dealers Association of Canada (the **MFDA**).

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

4. National Bank Trust Inc. (**NBT**) is a trust company organized under the laws of Quebec and has its head office in Montreal, Quebec. NBT is registered or authorized to act as an adviser, in the category of portfolio manager, under applicable securities legislation in each of the jurisdictions of Canada, other than the Northwest Territories, Yukon and Nunavut.

5. Natcan Trust Company (**NTC**) is a trust company organized under the laws of Canada and has its head office in Montreal, Quebec. NTC is registered or authorized to act as an adviser, in the category of portfolio manager, under applicable securities legislation in British Columbia, Alberta, Manitoba, Nova Scotia, Ontario and Newfoundland and Labrador.

6. The Filer, NBT and NTC are each direct or indirect wholly-owned subsidiaries of National Bank of Canada (**National Bank**) and as such, are affiliated entities.

PIM Program

7. NBT and NTC have been offering fully discretionary managed accounts to clients, including those managed using some or all of the mutual funds managed by the Filer currently known as the NBT Pooled Funds (the **NBT Pooled Funds**). The service is known as the Private Investment Management Program (the **PIM Program**).

8. The PIM Program builds each client's personalized investment portfolio based on a number of model portfolios, which together occupy successive portions of the investing spectrum with respect to the objective of the client, from low variability to equity. Each model portfolio is comprised of NBT Pooled Funds, a family of mutual funds managed by the Filer, suitable to the objective of that portfolio.

9. Each of the NBT Pooled Funds is an open-ended mutual fund established under the laws of Quebec.

10. The Filer is the investment fund manager of the NBT Pooled Funds, NBT is the trustee of the NBT Pooled Funds and NBT or NTC is the custodian of each of the NBT Pooled Funds.

11. Currently, each client in the PIM Program has a contractual relationship with NBT or NTC. However, NBT and NTC are working with the Filer to transition existing accounts within the PIM Program from NBT and NTC to the facilities of the Filer as of the fall 2015. The new service, offered through the Filer, will be known as the NBI Private Wealth Management Program (the **PWM Program**). Under the PWM Program, each client will have a contractual relationship with the Filer, rather than with NBT or NTC (as further described in paragraphs 16 and 17 below). NBT and NTC will

continue to develop and rebalance model portfolios for the PWM Program in a manner that aligns substantively with the approach NBT and NTC have taken previously for clients within the PIM Program.

12. The NBT Pooled Funds and several additional funds that are to be used in connection with the PWM Program have been, or will be, qualified under a simplified prospectus filed in the applicable jurisdictions of Canada. These funds are now, or will be, known as the NBI Private Portfolios.

13. If a client is interested in the PWM Program, the client will complete the Filer's application form, which includes all of the relevant know-your-client and suitability information (including the client's investment needs and objectives, financial circumstances and risk tolerance). The client will discuss the PWM Program's model portfolios with the Filer's dealing representative and, based on the client's responses, the dealing representative will recommend which model portfolio will be suitable for the client; however, the client will ultimately select the model portfolio. If the dealing representative considers the selected model portfolio unsuitable for the client, prior to the investment in that model portfolio, the dealing representative will inform the client of the dealing representative's opinion and will not finalize the investment in that model portfolio unless the client instructs the dealing representative to proceed nonetheless.

14. Each client will receive a description of the model portfolio selected by the client (the **Selected PWM Model Portfolio**), which provides information on the Asset Classes (as defined below) and Permitted Ranges (as defined below) of such Selected PWM Model Portfolio.

15. Each client will be provided with the fund facts for the NBI Private Portfolios that comprise the Selected PWM Model Portfolio chosen by the client in accordance with the prospectus delivery obligation in securities legislation.

16. The client will enter into an agreement with the Filer (the **NBI Account Agreement**) in respect of the PWM Program. The NBI Account Agreement must be approved by the Branch Manager of the Filer.

17. The NBI Account Agreement will include express disclosure that an affiliate of the Filer will be providing discretionary investment management services to the Filer in connection with the rebalancing activities for the Selected PWM Model Portfolio in the PWM Program. The NBI Account Agreement will state that the client appoints the Filer to develop and rebalance the Selected PWM Model Portfolio and select, add or remove NBI Private Portfolios within the Selected PWM Model Portfolio on the terms set out in the NBI Account Agreement. The Filer will enter into a separate agreement with an affiliate of the Filer to provide the rebalancing services for the PWM Program's model portfolios.

18. Under the NBI Account Agreement, the client agrees to pay the Filer the fees set forth in the fee schedule for the Selected PWM Model Portfolio, which amount is used to pay for the services of the Filer and the rebalancing services of an affiliate of the Filer. Fees may be changed from time to time on 60 days' prior written notice to the client.

19. The minimum investment in the PWM Program will be $250,000.

20. Each of the NBI Private Portfolios may pay the Filer, as manager of the NBI Private Portfolios, an annual management fee. The Filer pays the operating expenses of the NBI Private Portfolios, other than the fixed-fee fund expenses, in exchange for a fixed rate administration fee. The fixed-fee fund expenses are paid for by the NBI Private Portfolios.

21. No sales charges or commissions will be payable by a client in respect of any rebalancing activities described below.

22. As a result, there will be no duplication of any fees between any affiliate of the Filer and the Filer.

23. To the extent that there are investors in the NBI Private Portfolios who acquire securities of the NBI Private Portfolios outside the PWM Program, such investors will bear the cost of the relevant management fee and administration fee charged to the NBI Private Portfolios but will not bear costs attributable to the PWM Program itself.

24. After investing in the Selected PWM Model Portfolio, the client is provided with details of the NBI Private Portfolios held in their account with the Filer in the quarterly, or more frequent, account statements, as required by the AMF or the MFDA, as the case may be.

Managed Portfolios

25. The Filer has been offering a service to clients known as the National Bank Managed Portfolios (the **Managed Portfolio** Program and together with the PWM Program, the **Programs**), composed of mutual funds managed by the Filer (the **National Bank Mutual Funds** and together with the NBI Private Portfolios, collectively, the **Funds**).

26. NBT is the portfolio manager for any portfolio management activities carried out in respect of the Managed Portfolio Program in the provinces of Quebec, Prince Edward Island, Saskatchewan and New Brunswick. NTC is the portfolio

manager for any portfolio management activities carried out in respect of the Managed Portfolio Program in all other provinces of Canada.

27. The Managed Portfolio Program consists of a number of model portfolios, which together occupy successive portions of the investing spectrum with respect to the objective of the client, from stable income to equity. Each model portfolio offered under the Managed Portfolio Program is comprised of National Bank Mutual Funds suitable to the objective of that portfolio.

28. Each National Bank Mutual Fund is or will be an open-ended mutual fund established under the laws of Ontario or another province or territory of Canada or under the laws of Canada.

29. The Filer is the investment fund manager of the National Bank Mutual Funds and NTC is the trustee and custodian for the National Bank Mutual Funds.

30. Any of the National Bank Mutual Funds that are used in connection with the Managed Portfolio Program are, or will be, qualified under a simplified prospectus filed in the applicable jurisdictions of Canada.

31. If a client is interested in the Managed Portfolio Program, the client completes an application form, which includes all of the relevant know-your-client and suitability information (including the client's investment needs and objectives, financial circumstances and risk tolerance). The client discusses the Managed Portfolio Program's model portfolios with the Filer's dealing representative and, based on the client's responses, the dealing representative recommends which model portfolio will be suitable for the client; however, the client ultimately selects the model portfolio. If the dealing representative considers the selected model portfolio unsuitable for the client, prior to the investment in that model portfolio, the dealing representative will inform the client of the dealing representative's opinion and will not finalize the investment in that model portfolio unless the client instructs the dealing representative to proceed nonetheless.

32. Each client receives a description of the model portfolio selected by the client (the **Selected Model Managed Portfolio** and together with the Selected PWM Model Portfolio, the **Selected Model Portfolio**), which provides information on the Asset Classes (as defined below) and Permitted Ranges (as defined below) of the Selected Model Managed Portfolio.

33. Each client is provided with the fund facts for the National Bank Mutual Funds that comprise the Selected Model Managed Portfolio chosen by the client in accordance with the prospectus delivery obligation in securities legislation.

34. Currently, the client also enters into a discretionary management agreement with NBT (for investors residing in Quebec, Prince Edward Island, Saskatchewan or New Brunswick) or NTC (for investors residing in all other provinces of Canada) (the **Managed Portfolio Account Agreement**), which gives NBT or NTC, as applicable, the authority to develop and rebalance the Selected Model Managed Portfolio and select, add or remove National Bank Mutual Funds within the Selected Model Managed Portfolio.

35. In order to harmonize the approach of the Managed Portfolio Program with that of the PWM Program, the Filer wishes to be able to collect the "know your client" and suitability information for each client and to enter into an NBI Account Agreement with the client in respect of the Managed Portfolio Program.

36. The NBI Account Agreement will include express disclosure that an affiliate of the Filer will be providing discretionary investment management services to the Filer in connection with the rebalancing activities for the Selected Model Managed Portfolio in the Managed Portfolio Program. The NBI Account Agreement will state that the client appoints the Filer to develop and rebalance the Selected Model Managed Portfolio and select, add or remove National Bank Mutual Funds within the Selected Model Managed Portfolio on the terms set out in the NBI Account Agreement. The Filer will enter into a separate agreement with an affiliate of the Filer to provide the services for the Managed Portfolio Program's model portfolios.

37. The minimum investment in the Managed Portfolio Program is $100,000. There are no fees or expenses related to investing in a Managed Portfolio Program, except for the fees and expenses related to investing in the National Bank Mutual Funds that comprise the Managed Portfolio Program.

38. Each of the National Bank Mutual Funds pays the Filer, as manager of the National Bank Mutual Funds, an annual management fee. The Filer pays the operating expenses of the National Bank Mutual Funds, other than the fixed-fee fund expenses, in exchange for a fixed rate administration fee. The fixed-fee fund expenses are paid for by the National Bank Mutual Funds.

39. No sales charges or commissions are or will be payable by the client in respect of any rebalancing activities described below.

40. As a result, there is no duplication of any fees between NBT or NTC or any affiliate of the Filer (as applicable) and the Filer.

41. Any investors in the National Bank Mutual Funds who acquire securities outside the Managed Portfolio Program will not bear any costs attributable to the Managed Portfolio Program.

42. After investing in the Selected Model Managed Portfolio, the client is provided with details of the National Bank Mutual Funds held in their account with the Filer in the quarterly, or more frequent, account statements, as required by the AMF or the MFDA, as the case may be.

The Programs

43. NBT and NTC develop and manage the model portfolios which form part of the Programs on a discretionary basis. Each model portfolio is comprised of different asset classes (the **Asset Classes**) which are determined by NBT or NTC (as applicable), each in its sole discretion. NBT and NTC allocate each Asset Class a permitted range (the **Permitted Range**), being a minimum and maximum percentage of the model portfolio that can be allocated to investments of a particular Asset Class. NBT and NTC can change the Permitted Range or the Asset Classes of a model portfolio (including adding a new Asset Class) or both. NBT and NTC's actions are carried out with a view to ensuring that each model portfolio continues to abide by its stated objectives.

44. NBT and NTC also use their discretion in choosing which of the Funds will be used for each Asset Class, provided the investment objective and strategies of any Fund are consistent with the Asset Class. NBT and NTC's actions are carried out with a view to ensuring that each model portfolio continues to abide by its stated objectives.

45. Each client's account within a Program will be periodically rebalanced through a series of purchase and redemption trades effected by the Filer, as instructed by NBT or NTC. If the percentage weighting of at least one of the Asset Classes in the Selected Model Portfolio exceeds or falls below the Permitted Range for that Asset Class, NBT or NTC will generally instruct the Filer to effect trades on behalf of all clients invested in the Selected Model Portfolio to bring the Asset Classes of the Selected Model Portfolio within the Permitted Range for each Asset Class. Additionally, a client account may be rebalanced if the percentage weighting of at least one Fund in a client account exceeds or falls below the rebalancing threshold for that Fund in an Asset Class. NBT or NTC will instruct the Filer to effect trades on behalf of that client account to bring the Funds in the client account back to their target range (and within the Permitted Range for the Asset Class). These trades are referred to herein as the **Rebalancing Activities**.

46. In addition to the Rebalancing Activities described above that are effected by the Filer upon instruction from NBT and NTC, NBT and NTC will review all of the model portfolios in each Program on a periodic basis, whenever needed and at least annually, to ensure the model portfolios are consistent with their stated objectives, include appropriate Funds, and weight each Fund desirably. NBT and NTC may also change the weightings of the Funds within the model portfolios to take advantage of market conditions and trends. All changes effected by NBT and NTC as described above will be done on a fully discretionary basis and in a manner consistent with the stated objectives of each model portfolio. In connection with its responsibilities under the Programs, each of NBT or NTC, as applicable, will instruct the Filer to carry out the trades in the Funds that are necessary and incidental in connection with modifying the model portfolios. These activities are referred to herein as the **Strategic and Tactical Rebalancing Activities**.

47. The Filer will at all times also be ultimately responsible to each client for the Rebalancing Activities undertaken by NBT or NTC, as applicable, in the PWM Program. NBT and NTC currently remain responsible to each client for the Rebalancing Activities undertaken by NBT or NTC, as applicable, in the Managed Portfolio Program. The Filer will become ultimately responsible to each client that enters into an NBI Account Agreement in respect of the Managed Portfolio Program for the Rebalancing Activities undertaken by NBT or NTC, as applicable, in the Managed Portfolio Program. NBT and NTC will continue to be responsible for ensuring that each Selected Model Portfolio continues to abide by its stated objectives. Notwithstanding that there will be no direct relationship between the client and NBT or NTC, as applicable, each client will be entitled to treat NBT or NTC, as applicable, as if it were a party to the NBI Account Agreement with respect to its responsibilities in connection with the Rebalancing Activities and the Strategic and Tactical Rebalancing Activities.

48. The Filer will carry out all trades in securities of the Funds for a client in connection with the investment of monies by the clients in the Funds comprising the Selected Model Portfolio at the time of initial investment and for all Rebalancing Activities and Strategic and Tactical Rebalancing Activities. All trades will be reflected in the client's account on the day following the trade.

49. The trades carried out by the Filer as described above will be reflected in the records of the Filer and subject to oversight by the AMF and the MFDA.

50. MFDA Investor Protection Corporation coverage in each of the jurisdictions of Canada (other than Quebec) will apply to the investments in the Funds held in the clients' accounts with the Filer on the same terms as other mutual fund investments.

Orphaned Accounts

51. As detailed above, NBT and NTC are working with the Filer to transition all existing accounts within the PIM Program from NBT or NTC to the facilities of the Filer beginning in the fall of 2015. The Filer, NBT and NTC will commence a six month campaign in the fall of 2015 to complete the transition of all existing accounts with NBT and NTC to the Filer (the **Transition Period**). After the Transition Period commences, all new accounts will be opened through the facilities of the Filer.

52. During the Transition Period, the Filer and NBT or NTC, as applicable, will provide each client with a joint written notice of the proposal to transfer each client's account to the Filer and request that each client complete the documentation to open an account with the Filer and enter into an NBI Account Agreement with the Filer.

53. Following the mailing of the initial notice, the Filer will directly contact each affected client to schedule an appointment to complete the account opening process and execute the NBI Account Agreement.

54. Upon meeting with each client, the Filer will obtain all necessary know your client (**KYC**) and suitability information and provide each client with the Written Notice and obtain the Written Confirmation.

55. To the extent that a client does not respond to the initial notice, such client will receive a subsequent written notice of the proposal to transfer the client's account to the Filer and will be informed of the client's right to close their account with NBT or NTC, as applicable, in lieu of transferring their account to the Filer.

56. At the end of the Transition Period, NBT and NTC will cease to be in the business of offering the PIM Program and cease to hold client assets for the purposes of the PWM Program.

57. The Filer anticipates that a certain number of clients will not respond to the requests to transfer their account to the Filer. This lack of response will result in a number of accounts being orphaned with NBT and NTC at the end of the Transition Period (referred to herein as **Orphaned Accounts**).

58. The Filer proposes that these Orphaned Accounts be transitioned to the Filer following the end of the Transition Period by the Filer using the information most recently provided by the holder of such Orphaned Account to NBT or NTC, as applicable, under the PIM Program.

59. The Filer will use diligent efforts to obtain the Written Confirmation from each client in the PIM Program; however, the Filer may fail to obtain the Written Confirmation from Orphaned Account clients.

60. The Filer believes it would be in the best interest of clients in the Orphaned Accounts for the Filer and NBT or NTC, as applicable, to have the ability to continue to perform the Rebalancing Activities and Strategic and Tactical Rebalancing Activities in respect of the Selected PWM Model Portfolio in the Orphaned Accounts, so as to maintain the investment profile of the model portfolio that was selected by the client under the PIM Program.

61. In no event will the Filer change the investment profile of the model portfolio that was selected by the client under the PIM Program, nor will the Filer accept additional investments into the Selected PWM Model Portfolio until the client provides updated KYC and suitability information and the Written Confirmation, or instructs the Filer (i) to redeem the NBI Private Portfolios or (ii) to close or transfer the Orphaned Account.

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 Exemptions Sought are granted, provided that in respect of the Adviser Registration Requirement:

(a) the Asset Classes and Permitted Ranges cannot be changed without providing at least 60 days' advance written notice to the client; and

(b) the Filer ensures that the NBI Account Agreement or other materials delivered to the client with respect to the Selected Model Portfolio fully describes the Program and applicable model portfolio including (but not limited to):

(i) that an affiliate of the Filer manages the investment portfolios of the model portfolios pursuant to the NBI Account Agreement;

(ii) that the Filer and the portfolio manager are affiliated entities;

(iii) that while the portfolio manager manages the model portfolio, it is not responsible for determining or confirming the suitability of a model portfolio for the client (the Filer has the responsibility for determining and confirming the suitability of a model portfolio for the client), and all other terms and restrictions respecting the client's relationship with the portfolio manager are set out in the NBI Account Agreement;

(iv) that the Asset Classes comprising a model portfolio will be listed along with the Permitted Range for each Asset Class;

(v) that the Asset Classes and Permitted Ranges cannot be changed without providing at least 60 days' advance written notice to the client;

(vi) that the portfolio manager will in its discretion choose the Funds in which each Asset Class will invest and their weightings, and each Asset Class of a model portfolio will be invested in securities of the Funds that have investment objectives and strategies that are consistent with the Asset Class;

(vii) that the Filer, upon instruction from the portfolio manager, will carry out the trades in securities of the Funds for clients that are necessary and incidental to the investment of monies by the clients in the Funds comprising the Selected Model Portfolio at the time of initial investment and to all Rebalancing Activities and Strategic and Tactical Rebalancing Activities. All trades will be reflected in the client's account on the day following the trade, and will also be reflected in the records of the Filer and subject to the oversight by the AMF and the MFDA; and

(viii) full disclosure of the compensation paid to the portfolio manager and the Filer, including:

(A) each of the Funds may pay the Filer, as manager of the Funds, an annual management fee; the Filer pays the operating expenses of the Funds, other than the fixed-fee fund expenses, in exchange for a fixed rate administration fee, and the fixed-fee fund expenses are paid for by the Funds; and no sales charges or commissions will be payable by the client in connection with any Rebalancing Activities or Strategic or Tactical Rebalancing Activities; and

(B) with respect to the PWM Program, the client will pay the Filer the fees set forth in the fee schedule, which amount is used to pay for the services of the Filer and the Rebalancing Activities and Strategic and Tactical Rebalancing Activities of the portfolio manager; which fees will be based on the net asset value of the client's account, subject to a minimum amount; and which fees can only be changed from time to time provided the client is given at least 60 days' advance written notice.

"Eric Stevenson"
Superintendent, Client Services and Distribution Oversight
Autorité des marchés financiers

2.1.4 Mediterranean Resources Ltd. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

November 26, 2015

MEDITERRANEAN RESOURCES LTD.
800-885 West Georgia Street
Vancouver, BC V6C 3H1

Dear Sirs/Mesdames:

Re: Mediterranean Resources Ltd. (the Applicant) – application for a decision under the securities legislation of Alberta, Ontario and Manitoba (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

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

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

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

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

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

2.1.5 StorageVault Canada Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – acquisition by issuer triggered the 40% threshold significance test for venture issuers to file a BAR – subsequent rule amendment changed threshold significance test for venture issuers to a 100% threshold level – acquisition is less than the new 100% threshold level – issuer still has obligation to file a BAR under previous rule – relief granted from requirement to file a BAR.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.2, 13.1.

October 2, 2015

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

AND

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

AND

IN THE MATTER OF
STORAGEVAULT CANADA INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) to file a business acquisition report (a **BAR**) in connection with the closing of the first tranche on April 28, 2015 of the acquisition (the **Acquisition**) of the assets and business of Cubeit Portable Storage Canada Inc. and of certain assets and business of Access Self Storage Inc. (the **Exemption Sought**).

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

a) the Securities Division – Financial and Consumer Affairs Authority of Saskatchewan is the principal regulator for this Application;

b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta and Manitoba; and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 51-102 have the same meaning if used in this decision, unless otherwise defined in this decision.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the laws of the Province of Alberta and has its registered office located in Calgary, Alberta, and its head office located in Regina, Saskatchewan.

2. The Filer's principal business activities include the provision of self-storage facilities as well as portable storage containers across Canada.

3. The Filer is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

4. The common shares of the Filer are listed and posted for trading on the TSX Venture Exchange under the symbol "SVI".

5. The Filer is not in default of any requirement of securities legislation in any of the jurisdictions of Canada except for the requirement to file a BAR in connection with the Acquisition.

The Acquisition

6. On April 28, 2015 the Filer completed the closing of the first tranche of the purchase (the **First Tranche Acquisition**) of the assets and business of Cubeit Portable Storage Canada Inc. (**Cubeit**) and certain assets and business of Access Self Storage Inc. (**Access**) (collectively, the **Purchased Assets**).

7. The Filer may also complete the closing of a second tranche of the Purchased Assets (the **Second Tranche Acquisition**) subject to a number of conditions precedent. There is no assurance that the Second Tranche Acquisition will be completed as proposed or at all.

8. The Exemption Sought is for the First Tranche Acquisition only. Should the Second Tranche Acquisition occur, if applicable under NI 51-102, the Filer will include the First Tranche Acquisition in aggregate with the Second Tranche Acquisition pursuant to section 8.3(11) Application of Significance Tests - Multiple Investments in the Same Business of NI 51-102.

9. Neither Cubeit nor Access are reporting issuers in any Canadian jurisdiction.

Significance Tests for the Business Acquisition Report (BAR)

10. Under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying either of the two significance tests set out in subsections 8.3(2)(a) and (b) of NI 51-102 or either of the two optional significance tests set out in subsections 8.3(4)(a) and (b) of NI 51-102 (together, the **Significance Tests**).

11. Prior to June 30, 2015, the Significance Tests threshold for venture issuers such as the Filer was set at the 40% level, rather than at the current 100% level.

12. In accordance with section 8.3 of NI 51-102, the "Investment Test" and the "Asset Test" for the First Tranche Acquisition are no more than 92.56% and 92.56% respectively. In the absence of exemptive relief, the Filer would be required to file a BAR within 75 days of the First Tranche Acquisition, pursuant to subsection 8.2(1) of NI 51-102.

Decision

The Decision Makers are satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

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

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

2.1.6 Candax Energy 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).

November 30, 2015

Candax Energy Inc.
36 Toronto Street, Suite 1000
Toronto ON M5C 2C5

Dear Sirs/Mesdames:

Re: Candax Energy Inc. (the Applicant) – Application for a decision under the securities legislation of Ontario, Alberta, and New Brunswick (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

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

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

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

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

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

2.1.7 Arrow Capital Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.3(1)(f), 2.3(1)(h), 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 – Investment Funds a) to permit mutual funds (other than money market funds and commodity pools) to invest in gold and silver, and b) to permit mutual funds (other than money market funds, but including commodity pools) up to 10% of net asset value in leveraged ETFs, inverse ETFs, gold ETFs, silver ETFs, leveraged gold ETFs and leveraged silver ETFs traded on Canadian or US stock exchanges, subject to a maximum of 10% of the Fund's net asset value exposed to gold and silver.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.3(1)(f), 2.3(1)(h), 2.5(2)(a), 2.5(2)(c), 19.1.

October 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
ARROW CAPITAL MANAGEMENT INC.
(the Filer)**

AND

**EXEMPLAR TACTICAL CORPORATE BOND FUND,
EXEMPLAR INVESTMENT GRADE FUND,
EXEMPLAR LEADERS FUND,
EXEMPLAR YIELD FUND,
EXEMPLAR PERFORMANCE FUND,
EXEMPLAR GROWTH AND INCOME FUND,
EXEMPLAR CANADIAN FOCUS PORTFOLIO AND
EXEMPLAR DIVERSIFIED PORTFOLIO
(the Existing Funds)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing Funds and future mutual funds managed by the Filer or an affiliate of the Filer that are subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**) and are not money market funds (the **Future Funds**, and together with the Existing Funds, the **Funds**, and individually, a **Fund**) under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) pursuant to Section 19.1 of NI 81-102 for a decision:

(a) exempting each Fund that is not a Commodity Pool (as defined below) from the prohibition contained paragraph 2.3(1)(f) of NI 81-102 (the **Silver Exemption**) to permit such Funds to:

   (i) purchase and hold silver; and

   (ii) purchase and hold a certificate representing silver that is:

(A) available for delivery in Canada, free of charge, to or to the order of the holder of such silver certificate;

(B) of a minimum fineness of 999 parts per 1,000;

(C) held in Canada;

(D) in the form of either bars or wafers; and

(E) if not purchased from a bank listed in Schedule I, II or III of the *Bank Act* (Canada), fully insured against loss and bankruptcy by an insurance company licensed under the laws of Canada or a province or territory of Canada,

(the **Permitted Silver Certificate**);

(b) exempting each Fund that is not a Commodity Pool (as defined below) from the prohibition contained in paragraph 2.3(1)(h) of NI 81-102 (the **Silver Derivatives Exemption**) to permit such Funds to purchase, sell or use a specified derivative the underlying interest of which is:

(i) silver; or

(ii) a specified derivative of which the underlying interest is silver on an unlevered basis,

(**Silver Derivative** and, together with silver and Permitted Silver Certificate, **Silver**);

(c) exempting each Fund that is not a Commodity Pool (as defined below) from the restrictions contained in paragraphs 2.3(1)(h), 2.5(2)(a) and 2.5(2)(c) of NI 81-102 and exempting each Fund that is a Commodity Pool (as defined below) from the restrictions contained in paragraphs 2.5(2)(a) and 2.5(2)(c) of NI 81-102 (the **ETF Exemption**) to permit each Fund to purchase and hold securities of exchange-traded funds (**ETFs**) traded on a stock exchange in Canada or the United States that are not IPUs (as defined below) that:

(i) seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the **Underlying Index**) by a multiple of up to 200% (**Leveraged Bull ETFs**) or an inverse multiple of up to 200% (**Leveraged Bear ETFs** and together with Leveraged Bull ETFs, collectively, **Leveraged ETFs**); and

(ii) seek to provide daily results that replicate the daily performance of their Underlying Index by an inverse multiple of up to 100% (**Inverse ETFs**);

(iii) seek to replicate the daily performance of:

(A) gold or silver; or

(B) the value of a specified derivative the underlying interest of which is gold or silver,

on an unlevered basis (collectively, **Commodity ETFs**) or by a multiple of up to 200% (collectively, **Leveraged Commodity ETFs**),

(the Leveraged ETFs, Inverse ETFs, Commodity ETFs and Leveraged Commodity ETFs are referred to collectively herein as **Permitted ETFs**),

(the Silver Exemption, the Silver Derivatives Exemption and the ETF Exemption are collectively referred to as 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 the application; and

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

Interpretation

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

Commodity Pool has the meaning as such term is defined in National Instrument 81-104 *Commodity Pools* (**NI 81-104**).

IPU means an "index participation unit" as defined by NI 81-102.

Representations

This decision is based on the following facts represented by the Filer in respect of the Filer and the Funds:

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office located in Toronto, Ontario.

2. The Filer is registered in the following categories in certain of the Jurisdictions indicated below:

   (a) Ontario: portfolio manager (**PM**), investment fund manager (**IFM**); exempt market dealer (**EMD**) and commodity trading manager under the *Commodity Futures Act* (Ontario);

   (b) Alberta: EMD;

   (c) British Columbia: EMD;

   (d) Québec: EMD and IFM; and

   (e) Newfoundland and Labrador: IFM.

3. The Filer is the manager of each of the Existing Funds and will be the manager of each of the Future Funds. The Filer is the portfolio manager of, and/or has appointed a sub-adviser for, each of the Existing Funds, and will be the portfolio manager of, and/or will appoint a sub-adviser for, each of the Future Funds.

4. Each Existing Fund is, and each Future Fund will be: (a) an open-end mutual fund established under the laws of Canada or the laws of a province or territory of Canada, (b) a reporting issuer under the laws of some or all of the provinces or territories of Canada, and (c) subject to NI 81-102. Certain Existing Funds are, and certain Future Funds may also be Commodity Pools.

5. Securities of each Existing Fund are, and securities of each Future Fund will be qualified for distribution in some or all of the provinces or territories of Canada under either: (1) a simplified prospectus, annual information form and fund facts prepared in accordance with National Instrument 81-101 *Mutual Funds Prospectus Disclosure* (**NI 81-101**); or (2) a long form prospectus prepared in accordance with National Instrument 41-101 *General Prospectus Requirements*, in each case, as amended, superseded or replaced, and filed with and receipted by the securities regulators in the applicable provinces or territories of Canada.

6. Neither the Filer nor the Existing Funds are in default of securities legislation in any province or territory of Canada.

Investment in Gold and Silver

7. But for the Silver Exemption and Silver Derivatives Exemption, paragraphs 2.3(1)(f) and 2.3(1)(h) of NI 81-102 would prohibit an investment by a Fund that is not a Commodity Pool in Silver.

8. Provided that an investment in Silver is in accordance with its investment objectives and investment strategies, the Filer proposes that each Fund have the ability to invest in Silver, as investing in Silver will provide each Fund with an opportunity to further diversify its investments.

9. Permitting the Funds that are not Commodity Pools to invest in Silver will provide the Funds additional flexibility to increase gains for the Funds in certain market conditions, which may otherwise cause the Funds to have significant cash positions.

10. The Filer believes that the markets in gold and silver are highly liquid, and there are no liquidity concerns with permitting each Fund that is not a Commodity Pool to invest directly, or indirectly through derivatives, up to 10% of its net asset value in gold and Silver, in the aggregate.

11. The Funds that are Commodity Pools, pursuant to NI 81-104, may invest more than 10% of their net asset value in gold and Silver, directly, or indirectly through derivatives.

12. To obtain exposure to gold or silver indirectly, the Filer intends to use Commodity ETFs and Leveraged Commodity ETFs. In the case of the Funds that are Commodity Pools, the use of Commodity ETFs and Leveraged Commodity ETFs will provide additional flexibility in terms of obtaining exposure to gold and silver.

13. Any investment by a Fund in Silver will be made in compliance with the custodian requirements in Part 6 of NI 81-102.

14. If commencing to invest in Commodity ETFs or Leveraged Commodity ETFs represents a material change for an existing Fund, the Existing Fund will comply with the material change reporting obligations in respect of such change.

15. The Filer believes that the potential volatility or speculative nature of Silver is no greater than that of gold, or of equity securities.

16. An investment by a Fund in Silver will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

Investment in Permitted ETFs

17. The Filer, as manager of each Fund, believes that it would be in the best interests of the Funds to have the flexibility to obtain exposure to from time to time to Underlying Indices by investing a portion of their assets in the Permitted ETFs.

18. Each Permitted ETF will be a “mutual fund” (as such term is defined under the *Securities Act* (Ontario)) and will be listed and traded on a stock exchange in Canada or the United States.

19. The amount of loss that can result from an investment by a Fund in a Permitted ETF will be limited to the amount invested by the Fund in securities of the Permitted ETF.

20. Each Leveraged ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed +/-200% of the corresponding daily performance of its Underlying Index.

21. Each Leveraged Commodity ETF will be rebalanced daily to ensure that its performance and exposure to its underlying gold or silver interest will not exceed +/-200%, as the case may be, of the corresponding daily performance of the underlying gold or silver interest, as applicable.

22. Each Inverse ETF will be rebalanced daily to ensure that its performance and exposure to its Underlying Index will not exceed -100% of the corresponding daily performance of its Underlying Index.

23. In accordance with its investment objectives and investment strategies, each Fund is permitted generally to invest in exchange-traded funds.

24. But for the ETF Exemption, paragraph 2.5(2)(a) of NI 81-102 would prohibit a Fund from purchasing or holding a security of a Permitted ETF, because some Permitted ETFs are not subject to both NI 81-102 and NI 81-101.

25. But for the ETF Exemption, paragraph 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing or holding securities of some Permitted ETFs, because some Permitted ETFs are not qualified for distribution in the local jurisdiction.

26. The Filer is not currently, and does not currently expect to become in the near future, the manager of, nor affiliated with the manager of, any Permitted ETF.

27. An investment by a Fund in securities of a Permitted ETF will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

Decision

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

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

(a) the investment by a Fund in Silver and securities of a Permitted ETF is in accordance with the fundamental investment objective of the Fund;

(b) the securities of the Permitted ETFs are traded on a stock exchange in Canada or the United States;

(c) a Fund does not purchase securities of a Permitted ETF if, immediately after the transaction, more than 10% of the net asset value of the Fund, taken at market value at the time of the transaction, would consist of securities of Permitted ETFs;

(d) a Fund does not purchase securities of Inverse ETFs or securities of Leveraged Bear ETFs or sell any securities short if, immediately after the transaction, the Fund's aggregate market value exposure represented by all such securities purchased and/or sold short would exceed 20% of the net asset value of the Fund, taken at market value at the time of the transaction; provided that if a Fund has obtained or does obtain relief to permit such Fund to sell securities short in excess of 20%, the foregoing shall apply to such Fund based on the limitation set in such relief;

(e) a Fund, unless such Fund is a Commodity Pool, does not enter into a purchase, derivative or any other transaction providing exposure to gold or Silver, if immediately after entering into the transaction, the Fund's aggregate market value exposure (whether direct or indirect, including through Commodity ETFs) to all physical commodities (including gold) does not exceed 10% of the net asset value of the Fund, taken at market value at the time of the transaction; and

(f) the simplified prospectus or long form prospectus, as applicable, of each Existing Fund discloses, or will disclose the next time it is renewed, and the prospectus of each Future Fund discloses:

    (i) in the investment strategy section: (a) that the Fund has obtained relief to invest in Silver and securities of Permitted ETFs; (b) an explanation of what each type of Permitted ETF is; and (c) to the extent the Fund may invest in securities of a Commodity ETF and/or a Leveraged Commodity ETF, that the Fund may indirectly invest in gold and Silver; and

    (ii) the risks associated with such investments and strategies.

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

2.1.8 Niagara Capital Partners Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the investment fund self-dealing restrictions in securities legislation to allow pooled funds to invest in securities of underlying funds under common management – relief subject to certain conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(4), 113.

November 24, 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
NIAGARA CAPITAL PARTNERS LTD.
(the Filer)

AND

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

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of Niagara Access Alpha Fund (the **Initial Top Fund**), and any other investment fund which is not a reporting issuer under the securities legislation of the principal regulator (the **Legislation**) and may be established and managed by the Filer in the future (together with the Initial Top Fund, the **Top Funds**), which invests its assets in the Discovery Partnership Fund (the **Initial Underlying Fund**) or any other investment fund which is not a reporting issuer and may be advised or managed by the Filer in the future (together with the Initial Underlying Fund, the **Underlying Funds**), for a decision under the Legislation exempting the Filer and the Top Funds from the restrictions in the Legislation which prohibit:

(a) an investment fund from knowingly making an investment in any person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial security holder; and

(b) an investment fund or its management company or its distribution company from knowingly holding an investment described in paragraph (a) above

(together, 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 the 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 Alberta.

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario). Its head office is located in Toronto, Ontario.

2. The Filer is registered as an investment fund manager and an exempt market dealer under applicable securities legislation in the provinces of Ontario and British Columbia.

3. The Filer is not a reporting issuer in any jurisdiction of Canada. Other than as described below, the Filer is not in default of securities legislation in Canada.

4. The Filer is, or will be, the investment fund manager of the Top Funds and the Underlying Funds.

5. The Filer may act as a distributor of the securities of the Top Funds and the Underlying Funds not otherwise sold through the Portfolio Manager (as defined below) or another registered dealer.

The Portfolio Manager

6. Friedberg Mercantile Group Ltd. (**Friedberg** or the **Portfolio Manager**) is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario). Its head office is located in Toronto, Ontario.

7. Friedberg is registered as an investment dealer under applicable securities legislation in all provinces and territories of Canada and is a member of the Investment Industry Regulatory Organization of Canada. Friedberg is also registered as a futures commission merchant under the *Commodities Futures Act* (Ontario) and as a derivatives dealer under the *Derivatives Act* (Québec).

8. Friedberg is not a reporting issuer in any jurisdiction of Canada.

9. Friedberg is the portfolio manager for the Initial Top Fund and is expected to be the portfolio manager for any future Top Funds. Friedberg is also the portfolio manager for the Initial Underlying Fund and is expected to be the portfolio manager for any future Underlying Funds.

10. Friedberg has complete discretion to invest and reinvest the assets of the Top Funds and the Underlying Funds and is responsible for executing all portfolio transactions while being subject to applicable securities laws. Furthermore, the Portfolio Manager may also act as a distributor of the securities of the Top Funds and the Underlying Funds not otherwise sold through the Filer or another registered dealer.

11. The Filer and the Portfolio Manager are not affiliated.

The Top Funds

12. The Initial Top Fund is an open-ended unincorporated investment trust established under the laws of the province of Ontario pursuant to a trust agreement dated as of January 9, 2014. Each future Top Fund will be structured as an open-ended unincorporated investment trust established under the laws of the province of Ontario.

13. Each Top Fund is, or will be, a mutual fund as defined in the applicable securities legislation of the jurisdictions in which the securities of such Top Fund are distributed.

14. The investment objective of the Initial Top Fund is to provide investors with long-term capital growth and returns through exposure to the investment strategies utilized by the Initial Underlying Fund.

15. The Initial Top Fund is authorized to invest all of its assets in the Initial Underlying Fund and has, to date, invested all of its assets in this manner. The Initial Top Fund will continue to invest all of its assets in this manner, subject to receipt of

the Requested Relief. Each future Top Fund will be authorized to invest all of its assets in a corresponding future Underlying Fund.

16. The Initial Top Fund is not, and none of the future Top Funds will be, a reporting issuer in any jurisdiction of Canada.

17. The securities of each Top Fund will be sold to investors solely pursuant to exemptions from the prospectus requirements of applicable securities legislation in Canada in accordance with National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

18. Other than as described below, the Initial Top Fund is not in default of securities legislation in Canada.

The Underlying Funds

19. The Initial Underlying Fund is a limited partnership established under the laws of the province of Ontario. Each future Underlying Fund will be structured as a limited partnership established under the laws of the province of Ontario.

20. Niagara Capital Funds GP Inc., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario), is the general partner of the Initial Underlying Fund (the **General Partner**). The General Partner is an affiliate of the Filer. The general partner of each future Underlying Fund will be an affiliate of the Filer.

21. The Initial Underlying Fund is, and each future Underlying Fund will be, an investment fund as defined in the applicable securities legislation of the jurisdictions in which the securities of the Underlying Fund are distributed.

22. The investment objective of the Initial Underlying Fund is to achieve appreciation of its assets by investing in one or more investment strategies through one or more managed investment accounts with commodity trading advisors and securities advisors, which managed investment accounts will be primarily comprised of (i) investments in managed futures strategies and, to a lesser extent, (ii) investments in securities which are intended to provide returns which are not substantially correlated with the returns on the managed futures strategies.

23. The Initial Underlying Fund is not, and none of the future Underlying Funds will be, a reporting issuer in any jurisdiction of Canada.

24. The securities of each Underlying Fund will be sold to investors solely pursuant to exemptions from the prospectus requirements of applicable securities legislation in Canada in accordance with NI 45-106.

25. Each Underlying Fund may have investors other than, and in addition to, its corresponding Top Fund.

26. Each of the future Underlying Funds will have separate investment objectives, strategies and restrictions.

27. The Initial Underlying Fund is not in default of securities legislation of any jurisdiction of Canada.

Prior Default

28. The Initial Top Fund commenced its investment activities in June 2014 (the **Commencement Date**), which activities included investing all of its assets in units of the Initial Underlying Fund.

29. The units of the Initial Top Fund are redeemable by the holders thereof on a semi-annual basis for a redemption amount computed by reference to the net asset value (**NAV**) of the Initial Top Fund. It was believed in good faith by the Filer that the Initial Top Fund was not a mutual fund within the meaning of that term under the Legislation.

30. Neither the Filer nor its legal counsel at that time was aware of the published position of the Canadian Securities Administrators that redemption more frequent than annually constitutes redemption "on demand, or within a specified period after demand" for the purposes of the definition of "mutual fund" in the Legislation. Accordingly, the Initial Top Fund was, from inception, a mutual fund in Ontario within the meaning of that term in the Legislation.

31. Given its status as a mutual fund in Ontario, and given the investment of all of its assets in units of limited partnership interest in the Initial Underlying Fund, the Initial Top Fund has not been in compliance with the requirements of paragraph 111(2)(b) of the Legislation from the Commencement Date.

32. The Filer has voluntarily ceased distributing the securities of the Initial Top Fund and has ceased investing the assets of the Initial Top Fund in the Initial Underlying Fund, all pending the granting of the Requested Relief.

Fund-on-Fund Structure

33. Each Top Fund allows its investors to obtain indirect exposure to the investment portfolio of the corresponding Underlying Fund and its investment strategies primarily through direct investment by a Top Fund in securities of the corresponding Underlying Fund (the **Fund-on-Fund Structure**).

34. Each Top Fund is, or will be, organized as a trust in order for its securities to be qualified investments under the *Income Tax Act* (Canada) (the **Tax Act**) for registered plans and tax-free savings accounts, and also to create an investment that may be more attractive to investors that may not wish to invest directly in a limited partnership.

35. The units of limited partnership interest of the Underlying Funds are not qualified investments under the Tax Act for registered plans and tax-free savings accounts.

36. Each Fund-on-Fund Structure involving a future Top Fund and corresponding future Underlying Fund will be structured in a manner similar to the arrangement of the Initial Top Fund and the Initial Underlying Fund.

37. Any investment by a Top Fund in an Underlying Fund will be aligned with the investment objectives, investment strategies, risk profile and other principal terms of the Top Fund.

38. The portfolio of each Underlying Fund will consist primarily of managed futures investments. Each Underlying Fund will not hold more than 10% of its NAV in illiquid assets (as defined in National Instrument 81-102 *Investment Funds* (**NI 81-102**)).

39. An investment by a Top Fund in an Underlying Fund will be effected based on an objective NAV of the Underlying Fund.

40. Each current investor in the Initial Top Fund has received disclosure in writing of:

    (a) the intention of the Initial Top Fund to invest in securities of the Initial Underlying Fund; and

    (b) the relationships and potential conflicts of interest between the Initial Top Fund and the Initial Underlying Fund, including that the Initial Underlying Fund and future Underlying Funds will be managed by the Filer

    (together, the Previous Fund-on-Fund Information).

41. The Filer currently does not charge any management fee or incentive fee to the Initial Top Fund. The Filer will ensure that the arrangements between each Top Fund and each corresponding Underlying Fund involved in a Fund-on-Fund Structure will avoid the duplication of management fees and incentive fees.

42. There will be no sales or redemption fees payable by a Top Fund in respect of an acquisition, disposition or redemption of securities of an Underlying Fund by the Top Fund that, to a reasonable person, would duplicate a fee payable by an investor in the Top Fund. The Filer currently does not charge any sales commission or redemption fees to the Initial Top Fund in connection with an investment in the Initial Underlying Fund.

43. Each of the Top Funds and the Underlying Funds that are subject to National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) will prepare annual audited financial statements and interim unaudited financial statements in accordance with NI 81-106 and will otherwise comply with the requirements of NI 81-106, as applicable. The Initial Top Fund complies with the requirements of NI 81-106.

44. No Underlying Fund will be a Top Fund.

45. An Underlying Fund will have valuation and redemption dates that are no less frequent than the corresponding Top Fund.

46. The custodian of the assets of each Top Fund and each Underlying Fund is, or will be, one or more financial institutions and/or their affiliates, or such third party or parties as may be appointed by the Filer or its affiliates. The custodian of each Top Fund and each Underlying Fund meets, or will meet, the qualifications set out in subsection 6.2 of NI 81-102.

47. Each Top Fund is, or will be, a related mutual fund (under applicable securities legislation) by virtue of the common management by the Filer. The amounts invested from time to time in an Underlying Fund by a Top Fund, either alone or together with other Top Funds, may exceed 20% of the outstanding voting securities of the Underlying Fund. As a result, each Top Fund could, either alone or together with other Top Funds, become a substantial security holder of an

Underlying Fund. The Initial Top Fund may become a substantial security holder of the Initial Underlying Fund and it is expected that each future Top Fund may be a substantial security holder of the corresponding future Underlying Fund.

48. In the absence of the Requested Relief, each Top Fund would be precluded from purchasing and holding securities of an Underlying Fund due to the conflict of interest investment restrictions contained in the Legislation.

49. Each Top Fund's investment in the corresponding Underlying Fund represents the business judgement of a responsible person uninfluenced by considerations other than the best interests of the investment funds concerned.

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:

1. Securities of the Top Funds are distributed in Canada solely pursuant to exemptions from the prospectus requirements in NI 45-106.

2. Each Top Fund invests all or substantially all of its assets in an Underlying Fund.

3. At the time of the purchase of securities of an Underlying Fund, the Underlying Fund holds no more than 10% of its NAV in securities of other investment funds, unless the Underlying Fund:

   (a) is a “clone fund” (as defined by NI 81-102),

   (b) purchases or holds securities of a “money market fund” (as defined by NI 81-102), or

   (c) purchases or holds securities that are “index participation units” (as defined by NI 81-102) issued by an investment fund.

4. No management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the corresponding Underlying Fund for the same service.

5. No sales or redemption charge or fee is payable by a Top Fund in relation to its purchase or redemption of securities of the corresponding Underlying Fund.

6. The Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of the Underlying Fund except that the Filer may arrange for the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund.

7. The offering memorandum, where available, or other disclosure document of a Top Fund is provided to investors in a Top Fund prior to the time of investment and will disclose the following (collectively, the **New Fund-on-Fund Information**):

   (a) that the Top Fund invests all or substantially all of its assets in the corresponding Underlying Fund;

   (b) that the Filer is the investment fund manager of both the Top Fund and the Underlying Fund;

   (c) the fees and expenses payable by the Underlying Fund that the Top Fund invests in, including the incentive fees;

   (d) that investors are entitled to receive from the Filer, on request and free of charge, a copy of

      (i) the offering memorandum or other similar disclosure document (if available);

      (ii) the annual and semi-annual financial statements; and

      (iii) any other continuous disclosure documents that the Underlying Funds may make available to their respective investors;

   relating to the corresponding Underlying Fund in which the Top Fund invests its assets.

8. Each existing unitholder of the Initial Top Fund receives, within one month from the date of this decision, the New Fund-on-Fund Information to the extent different from the Previous Fund-on-Fund Information.

"T. Moseley"
Commissioner
Ontario Securities Commission

"Mary Condon"
Commissioner
Ontario Securities Commission

2.1.9 Lite Access Technologies Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 3.3(1)(a) and 5.1 – An issuer requires relief from the requirement that financial statements required by securities legislation to be audited must be accompanied by an auditor's report that expresses an unmodified opinion – The auditors were not in attendance at the physical inventory taking and not able to satisfy themselves by other auditing procedures as to the opening inventory quantities; the inventory reservation relates to the financial statements of a non-reporting issuer whose business is not seasonal; the issuer is providing a subsequent audited period of at least six months for which the auditor's report expresses an unmodified opinion; the qualification is not imposed by, and could not reasonably be eliminated by management; the qualification will not recur in future; the auditor's report will be unmodified except for the qualification related to opening inventory and, since inventory affects the calculation of financial performance and cash flows, the net cash flows from operating activities.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, ss. 3.3(1)(a), 5.1.

November 30, 2015

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

AND

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

AND

IN THE MATTER OF
LITE ACCESS TECHNOLOGIES INC.
(THE FILER)

DECISION

Background

1 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 requirement that financial statements required by the Legislation to be audited must be accompanied by an auditor's report that expresses an unmodified opinion does not apply the following financial statements of Lite Access Holdings Inc. (formerly known as Lite Access Technologies Inc.) (the Target):

(a) the audited financial statements of the Target for the financial years ended September 30, 2014, 2013 and 2012 previously filed on June 1, 2015 as part of a Canadian Securities Exchange (CSE) Form 2A Listing Statement (the Listing Statement); and

(b) the audited financial comparatives relating to the financial year ended September 30, 2013 that were contained in the audited financial statements of the Target for the financial year ended September 30, 2014 filed on November 9, 2015

(the Requested Relief).

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

(a) the British Columbia 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 Alberta; and

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

Interpretation

2 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

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

1. the Filer was incorporated under the *Business Corporations Act* (British Columbia) on October 26, 2014;

2. the Filer's head office is located in British Columbia;

3. the Target was incorporated on October 20, 2003 under the laws of British Columbia; the Target's principal business is providing air blown fibre and microduct solutions to enable high speed connectivity for end users; the Target's business is not seasonal;

4. the Filer is a "reporting issuer" within the meaning of applicable securities legislation in British Columbia, Ontario and Alberta;

5. on May 26, 2015, pursuant to an amalgamation agreement among the Filer, the Target and 1028642 BC Ltd., a wholly-owned subsidiary of the Filer, the Filer acquired all of the issued and outstanding shares of the Target, in consideration of which the Filer issued a total of 15,548,671 common shares of the Filer to the former shareholders of the Target (the Business Combination);

6. prior to the Business Combination, the Target was not a reporting issuer in any jurisdiction of Canada and its common shares were not listed on any stock exchange or posted for trading on any quotation system;

7. in conjunction with closing of the Business Combination, the Filer changed its name to "Lite Access Technologies Inc." and listed its common shares on the CSE;

8. the Business Combination was a "reverse takeover" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102);

9. the completion of the Business Combination triggered the requirements of section 4.10(2) of NI 51-102, that the Filer file financial statements of the Target as required in the form of prospectus that the Target would have been eligible to use prior to the closing of the Business Combination;

10. the applicable form of prospectus for the Target is Form 41-101F1 *Information Required in a Prospectus*;

11. in order to obtain the listing on the CSE, on June 1, 2015 the Filer filed, among other things, the Listing Statement, which included audited financial statements of the Target for the fiscal years ended September 30, 2014, 2013 and 2012, with the CSE (the Target Financial Statements);

12. Crowe MacKay LLP (the Auditors) were not appointed as auditors of the Target until after September 30, 2013 and were not able to observe the counting of physical inventories of the Target as at either of September 30, 2013, September 30, 2012 or October 1, 2011; by applying alternative procedures, the Auditors were able to obtain sufficient audit evidence regarding inventory balances for the Target as at September 30, 2013;

13. since opening inventories enter into the determination of the results of operations and cash flows, the Auditors were not able to determine whether adjustments to the cost of sales, income taxes, net income and cash provided from operations of the Target for the years ended September 30, 2013 and September 30, 2012 might have been necessary;

14. as a result, the Auditors expressed a modified opinion relating to inventory on Target Financial Statements for the financial years ended September 30, 2013 and 2012;

15. on November 9, 2015, the Filer re-filed the Target's comparative audited financial statements for the financial year ended September 30, 2014, together with an audit report which included a modified opinion in relation to the results of operations and cash flows for the comparative year ended September 30, 2013 and opening retained earnings as at October 1, 2012;

16. a modified opinion is contrary to subsection 3.3(1) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107);

17. the Filer and Target are not in default of any securities legislation of any jurisdiction of Canada, other than the requirement in subsection 3.3(1) of NI 52-107 that the Target Financial Statements be accompanied by an auditor's report that expresses an unmodified opinion; and

18. paragraph 5.8(2) of Companion Policy 41-101CP to National Instrument 41-101 *General Prospectus Requirements* contemplates that relief may be granted to non-reporting issuers in appropriate circumstances to permit the auditor's report on financial statements to contain a modification relating to opening inventory if there is a subsequent audited period of at least six months on which the auditor's report expresses an unmodified opinion and the business is not seasonal.

Decision

4 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 Requested Relief is granted.

"Peter J. Brady"
Director, Corporate Finance
British Columbia Securities Commission

2.2 Orders

2.2.1 Quadrexx Hedge Capital Management Ltd. et al.

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

AND

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

ORDER

WHEREAS:

1. On January 31, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") accompanied by a Statement of Allegations dated January 30, 2014 with respect to Quadrexx Hedge Capital Management Ltd. ("QHCM"), Quadrexx Secured Assets Inc. ("QSA"), Miklos Nagy ("Nagy") and Tony Sanfelice ("Sanfelice") (collectively, the "Respondents");

2. On February 20, 2014, Staff of the Commission ("Staff") filed an affidavit of Sharon Nicolaides sworn February 19, 2014 setting out Staff's service of the Notice of Hearing dated January 31, 2014 and Staff's Statement of Allegations dated January 30, 2014 on counsel for the Respondents;

3. On February 20, 2014, Staff advised that Staff sent out the initial electronic disclosure of approximately 14,000 documents to counsel for the Respondents;

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

5. On April 17, 2014, Staff, counsel for QHCM, QSA and Nagy and counsel for Sanfelice attended before the Commission;

6. On April 17, 2014, Staff advised the Commission of a correction to be made regarding the initial electronic disclosure made on February 20, 2014, in that disclosure was made of approximately 14,000 pages of documents rather than of approximately 14,000 documents;

7. On April 17, 2014, Staff further advised the Commission that it had recently sent out electronic disclosure of a further 6,800 pages of documents and advised that disclosure by Staff was not yet complete;

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

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

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

11. On October 15, 2014, the parties attended a confidential pre-hearing conference in this matter;

12. On October 15, 2014, the Commission ordered that:

    (a) this matter be adjourned to a further confidential pre-hearing conference to be held on February 26, 2015 at 10:00 a.m; and

    (b) the hearing on the merits in this matter shall commence on April 20, 2015 at 10:00 a.m. and shall continue on April 22, 23, 24, 27, 28, 29, 30 and May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015, each day commencing at 10:00 a.m;

13. The hearing on the merits in this matter took place on April 22, 23, 24, 27, 28, 29 and 30 and May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015 and September 21, 23, 24 (for a half-day), 25, 28, 29 and 30 and October 1, 2, 5 and 9 and November 16, 18, 19 and 20, 2015;

14. On November 20, 2015, Staff advised that counsel for Tony Sanfelice was unable to attend the hearing on November 20, 23 24 and 25, 2015 due to a personal matter and the Commission adjourned the hearing to December 7, 2015;

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

IT IS ORDERED that the hearing on the merits in this matter shall continue on December 7, 8, 9, 10, 14, 16, 17 and 18, 2015 and January 18, 19, 20, 21 and 22, 2016, commencing on each day at 10:00 a.m.

DATED at Toronto this 25th day of November, 2015.

"Christopher Portner"

2.2.2 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

ORDER

WHEREAS:

1. On December 9, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") returnable January 14, 2015 accompanied by a Statement of Allegations dated December 8, 2014 with respect to Pro-Financial Asset Management Inc. ("PFAM"), Stuart McKinnon ("McKinnon") and John Farrell ("Farrell") (collectively, the "Respondents");

2. On September 15, 2015, counsel for McKinnon advised that McKinnon intended to bring a motion for a preliminary determination of certain issues in Staff's Statement of Allegations (the "Preliminary Determination Motion");

3. On September 17, 2015, the Commission ordered, among other things, that the Preliminary Determination Motion shall be heard on November 6, 2015 at 10:00 a.m.;

4. On October 9, 2015, McKinnon filed a notice of motion accompanied by a motion record;

5. On November 6, 2015, Staff and counsel for McKinnon filed written memoranda of fact and law, and made oral submissions on the Preliminary Determination Motion;

6. The Panel considered the submissions of the parties and the Affidavits of McKinnon sworn October 8, 2015 and November 6, 2015, the Affidavit of Michael Denyszyn sworn October 30, 2015 and the Affidavit of Michael Ho sworn October 30, 2015 (collectively, "the Affidavits");

7. Having considered the submissions of the parties and the Affidavits, the Panel is of the view that the Preliminary Motion should not be granted;

8. The Commission is of the opinion that it is in the public interest to make this Order.

IT IS HEREBY ORDERED that the Preliminary Determination Motion is dismissed with reasons to follow.

DATED at Toronto this 26th day of November, 2015.

"Christopher Portner"

2.2.3 Black Panther Trading Corporation and Charles Robert Goddard – s. 127

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

AND

IN THE MATTER OF
BLACK PANTHER TRADING CORPORATION
AND CHARLES ROBERT GODDARD

ORDER
(Section 127 of the Securities Act)

WHEREAS:

1. on October 13, 2015, Staff of the Ontario Securities Commission ("Staff") filed a Statement of Allegations, in which Staff sought an order against Charles Robert Goddard ("Goddard") and Black Panther Trading Corporation ("Black Panther") (collectively, the "Respondents") pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

2. on October 14, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in respect of that Statement of Allegations;

3. on November 24, 2015, Staff and the Respondents appeared before the Commission and made submissions; and

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

IT IS ORDERED that:

1. Staff shall provide disclosure to the Respondents by December 24, 2015, of documents and things in the possession or control of Staff that are relevant to the proceeding;

2. This proceeding is adjourned to a hearing to be held on March 16, 2016, at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing at 1:00 p.m. or as soon thereafter as the hearing can be held;

3. Any motions for disclosure by the Respondents shall be set out in a Notice of Motion filed no later than March 4, 2016, and will be heard or scheduled for a subsequent date at the March 16 hearing; and

4. Staff shall make disclosure of its preliminary witness list and statements and indicate any intent to call an expert witness, and provide the Respondents the name of the expert and state the issue on which the expert will be giving evidence, by March 11, 2016;

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

"Timothy Moseley"

2.2.4 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 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 WHEREAS Tang attended the hearing and made submissions;

AND WHEREAS the Commission ordered that the hearing be adjourned to October 2, 2015 at 9:00 a.m.;

AND WHEREAS in advance of the hearing on October 2, 2015, Staff filed the Affidavit of Alice Hewitt sworn September 23, 2015 demonstrating service of the Commission's Order dated September 14, 2015 on Tang;

AND WHEREAS on October 2, 2015, Counsel for Staff attended the hearing and made submissions;

AND WHEREAS Tang attended the hearing and made submissions;

AND WHEREAS on October 2, 2015, the Commission ordered that a pre-hearing conference be scheduled for Friday, November 6, 2015 at 9:00 a.m., and the hearing on the merits (the "Merits Hearing") be scheduled for January 13, 14 and 15, 2016;

AND WHEREAS in advance of the pre-hearing conference on November 6, 2015, Staff filed the Affidavit of Service of Alice Hewitt sworn October 7, 2015, demonstrating service of the Commission's Order dated October 2, 2015 on Tang, and the Affidavit of Service of Anne Paiement sworn October 5, 2015, demonstrating service of Staff's first tranche of disclosure relating to this proceeding on Tang;

AND WHEREAS in advance of the pre-hearing conference on November 6, 2015, Tang filed Pre-Hearing Conference Submissions, expressing his intention to call a number of investors and current and former Commission staff members as witnesses;

AND WHEREAS in advance of the pre-hearing conference on November 6, 2015, Tang brought an application seeking relief pertaining to the freezing of certain funds held on behalf of corporations controlled by Tang, by Order of the Ontario Superior Court of Justice (the "Frozen Funds Application");

AND WHEREAS on November 6, 2015, Counsel for Staff attended the pre-hearing conference and made submissions and Tang attended the pre-hearing conference and made submissions;

AND WHEREAS on November 11, 2015, the Commission ordered that:

(a) Subject to the authority of the Panel presiding over the Merits Hearing, Tang shall not be permitted to summon as witnesses at the Merits Hearing any of the three Staff members identified as prospective witnesses in Tang's Pre-Hearing Conference Submissions;

(b) Subject to the authority of the Panel presiding over the Merits Hearing, Tang shall be permitted to summon no more than six investor witnesses at the Merits Hearing unless Tang provides the Panel with compelling reasons for doing so;

(c) Subject to the authority of the Panel presiding over the Merits Hearing, the evidence that Tang may lead at the

Merits Hearing shall be restricted to matters relevant to the appropriate sanction or sanctions that may be imposed on Tang under subsection 127(10) of the *Securities Act*;

(d) Tang shall file and serve witness statements for the witnesses he intends to summon by no later than November 20, 2015, setting out their names and disclosing the substance of their anticipated evidence at the hearing on the merits;

(e) Any hearing of the Frozen Funds Application, which would include a determination of the authority of a Panel to grant any relief in respect of such Application, shall be adjourned *sine die* pending the disposition of the motion brought by Representative Counsel before the Superior Court of Justice and served on Tang on November 6, 2014;

(f) Staff shall advise the Commission, through the office of the Secretary, of the disposition of such motion by Representative Counsel and, if the motion is not disposed of in a timely fashion, Staff shall so alert the office of the Secretary for the purpose of permitting the Frozen Funds Application to be spoken to further;

(g) Staff and Tang shall each deliver a Hearing Brief by no later than December 1, 2015; and

(h) A further pre-hearing conference shall be held on November 25, 2015 at 9:00 a.m.;

AND WHEREAS in advance of the pre-hearing conference on November 25, 2015, Staff filed the Affidavit of Service of Lee Crann sworn November 23, 2015, demonstrating service of the Commission's Order dated November 11, 2015 on Tang, and the Affidavit of Service of Anne Paiement sworn November 6, 2015, demonstrating service of Staff's second tranche of disclosure relating to this proceeding on Tang;

AND WHEREAS Tang failed to deliver any witness statements on or before November 20, 2015;

AND WHEREAS on November 25, 2015, Tang and Counsel for Staff attended the pre-hearing conference and made submissions;

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

IT IS ORDERED THAT:

(a) Tang shall file witness statements for the witnesses he intends to summon by no later than December 18, 2015, setting out their names and disclosing the substance of their anticipated evidence at the Merits Hearing;

(b) Staff and Tang shall each deliver a Hearing Brief by no later than December 18, 2015;

(c) A further pre-hearing conference is scheduled for December 18, 2015 at 9:00 a.m.; and

(d) The hearing dates of January 13, 14, and 15, 2016 scheduled for the Merits Hearing are vacated, and the Merits Hearing shall take place on February 17, 18, and 19, 2016.

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

"Christopher Portner"

2.2.5 Magna International Inc. – s. 102(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, up to 540,000 of its common shares from one of its shareholders – 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 common shares of the Issuer in anticipation or contemplation of a sale of common 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 common shares of the Issuer to re-establish its holdings of common 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

AND

IN THE MATTER OF
MAGNA INTERNATIONAL INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Magna International Inc. (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 connection with the proposed purchases by the Issuer of up to 540,000 common shares of the Issuer (collectively, the "**Subject Shares**") in one or more tranches, from BMO Nesbitt Burns Inc. (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 5, 6, 7, 8, 9, 10, 12, 23 and 25 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).

2. The registered and head office of the Issuer is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.

3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange ("**NYSE**") under the symbols "MG" and "MGA", respectively. 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 authorized share capital of the Issuer consists of an unlimited number of Common Shares and 99,760,000 preference shares (the "**Preference Shares**") issuable in series. As at November 4, 2015, 404,380,164 Common Shares and no Preference Shares were issued and outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario. Each Proposed Purchase (as defined below) under this Order will be executed and settled in the Province of Ontario.

6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 540,000 Common 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.

8. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 18, 2015, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

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

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

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Notice**") that was submitted to, and accepted by, the TSX effective November 10, 2015, the Issuer was permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 40,000,000 Common Shares, representing approximately 9.9% of the Issuer's public float of Common Shares as of the date specified in the Notice, during the 12-month period beginning on November 13, 2015 and ending on November 12, 2016. The Notice specifies that purchases under the Normal Course Issuer Bid will be conducted through the facilities of the TSX and purchases may also be made on the NYSE, through alternative trading systems in Canada and/or the United States or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements pursuant to issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**").

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will, subject to market conditions, agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches occurring prior to November 12, 2016 and not more than once per calendar week (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, 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 and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the relevant Proposed Purchase.

13. 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.

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

15. Because the Purchase Price, in each case, 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 of the relevant Proposed Purchase, none of the Proposed Purchases can 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 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.

16. But for the fact that the Purchase 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 of the relevant Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 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.

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

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

19. 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 otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. 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 Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of November 4, 2015, the "public float" for the Issuer's Common Shares represented approximately 99.4% of all of the issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

22. The Common 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.

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

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

25. At the time that each 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 Trading Products Group of the Selling Shareholder, nor any personnel of, the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

26. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 13,333,333 Common Shares as of the date of this Order.

27. Assuming completion of the purchase of the maximum number of Subject Shares, being 540,000 Subject Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 540,000 Common Shares pursuant to Off-Exchange Block Purchases, representing 1.35% of the maximum 40,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied 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 the Proposed Purchases, 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 Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules or another Off-Exchange Block Purchase during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Issuer's Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, and, subject to condition (i) below, by Off-Exchange Block Purchases;

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

(f) at the time that each 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 Trading Products Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "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 Subject 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 Proposed Purchase;

(h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such 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 Common Shares the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 13,333,333 Common Shares; and

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

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

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.6 Eda Marie Agueci et al. – s. 144

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 144)

WHEREAS:

1. on February 7, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on the same date against Eda Marie Agueci ("Agueci"), Dennis Wing ("Wing"), Santo Iacono, Josephine Raponi, Kimberley Stephany ("Stephany"), Henry Fiorillo ("Fiorillo"), Giuseppe (Joseph) Fiorini, John Serpa, Jacob Gorntizki, Pollen Services Limited ("Pollen"), and Ian Telfer;

2. on September 20, 2013, the Commission approved a settlement agreement between Staff and Ian Telfer;

3. on September 26, 2013, Staff filed an Amended Statement of Allegations;

4. on February 11, 2015, following a hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits, including findings against Agueci, Wing, Stephany, Fiorillo and Pollen (the "Respondents") (*Re Eda Marie Agueci et al.* (2015), 38 O.S.C.B. 1573);

5. on April 13 and 14, 2015, the Commission held a hearing to determine sanctions and costs against the Respondents;

6. on June 24, 2015, the Commission made an order under subsection 127(1) of the Act, in the within matter related to sanctions and costs (*Re Eda Marie Agueci et al.* (2015), 38 O.S.C.B. 5967; the "Sanctions and Costs Order"), which is appended hereto as Appendix "A";

7. on November 4, 2015, Staff filed a Notice of Application with the Secretary's Office of the Commission requesting a variation to the Sanctions and Costs Order to allow Agueci to liquidate certain securities she holds and to direct the payment of $650,000 to the Commission in compliance with the Sanctions and Costs Order;

8. Staff filed further evidence via affidavit sworn on November 20, 2015, as requested by the Commission; and

9. the Commission is of the opinion that it would not be prejudicial to the public interest to make this order.

IT IS ORDERED that the Sanctions and Costs Order is varied solely to amend paragraph 1(a) such that, as amended, it will read as follows:

1. With respect to Agueci:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Agueci shall cease permanently, except that Agueci shall be permitted to trade:

      i. for the sole purpose of liquidating all securities held at Assante Asset Management Ltd. in her name for the purpose of directing part of the proceeds of the liquidation to be paid directly to the Commission in the amount of $650,000 and the remaining proceeds to be used by Agueci for any proper purpose not inconsistent with the within order;

      ii. mutual funds, exchange-traded funds, government bonds and/or guaranteed investment certificates ("GICs") for the account of any registered retirement

savings plan (“RRSP”), registered retirement income fund (“RRIF”) and tax free savings account (“TFSA”), as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended (the “Income Tax Act”), in which Agueci has sole legal and beneficial ownership;

iii. solely through a registered dealer in Ontario, to whom Agueci must have given a copy of this order; and

iv. only after the amounts ordered in subparagraphs 1(g) and 1(h) have been paid in full;

DATED at Toronto this 30th day of November, 2015.

“Edward P. Kerwin”

“AnneMarie Ryan”

“Deborah Leckman”

Appendix "A"

**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
(Sections 127 and 127.1)**

WHEREAS:

1. on February 7, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on the same date against Eda Marie Agueci ("Agueci"), Dennis Wing ("Wing"), Santo Iacono, Josephine Raponi, Kimberley Stephany ("Stephany"), Henry Fiorillo ("Fiorillo"), Giuseppe (Joseph) Fiorini, John Serpa, Jacob Gorntizki, Pollen Services Limited ("Pollen"), and Ian Telfer;

2. on September 20, 2013, the Commission approved a settlement agreement between Staff and Ian Telfer;

3. on September 26, 2013, Staff filed an Amended Statement of Allegations;

4. on February 11, 2015, following a hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits, including findings against Agueci, Wing, Stephany, Fiorillo and Pollen (the "Respondents") (*Re Eda Marie Agueci et al.* (2015), 38 O.S.C.B. 1573);

5. on April 13 and 14, 2015, the Commission held a hearing to determine sanctions and costs against the Respondents;

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

IT IS ORDERED that:

1. With respect to Agueci:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Agueci shall cease permanently, except that Agueci shall be permitted to trade:

      i. mutual funds, exchange-traded funds, government bonds and/or guaranteed investment certificates ("GICs") for the account of any registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF") and tax free savings account ("TFSA"), as defined in the *Income Tax Act*, R.S.C. 1985, c.1, as amended (the "Income Tax Act"), in which Agueci has sole legal and beneficial ownership;

      ii. solely through a registered dealer in Ontario, to whom Agueci must have given a copy of this order; and

      iii. only after the amounts ordered in subparagraphs 1(g) and 1(h) have been paid in full;

   (b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Agueci is prohibited permanently, except that Agueci shall be permitted to acquire:

      i. mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RRIF and TFSA, as defined in the Income Tax Act, in which Agueci has sole legal and beneficial ownership; and

ii. solely through a registered dealer in Ontario, to whom Agueci must have given a copy of this order;

iii. only after the amounts ordered in subparagraphs 1(g) and 1(h) have been paid in full;

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

(d) pursuant to clause 6 of subsection 127(1) of the Act, Agueci is reprimanded;

(e) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Agueci is prohibited permanently from becoming or acting as a director or an officer of any reporting issuer, registrant or investment fund manager;

(f) pursuant to clause 8.5 of subsection 127(1) of the Act, Agueci is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(g) pursuant to clause 9 of subsection 127(1) of the Act, Agueci shall pay administrative penalties in the total amount of $350,000 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and

(h) pursuant to section 127.1 of the Act, Agueci shall pay the amount of $300,000 in respect of part of the costs of the Commission's investigation and hearing;

2. With respect to Wing and Pollen:

(a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by each of Wing and Pollen shall cease permanently, except that Wing shall be permitted to trade:

i. mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RRIF and TFSA, as defined in the Income Tax Act, in which Wing has sole legal and beneficial ownership;

ii. solely through a registered dealer in Ontario, to whom Wing must have given a copy of this order; and

iii. only after the amounts ordered in subparagraphs 2(h), 2(i), 2(j) and 2(k) have been paid in full;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of Wing and Pollen is prohibited permanently, except that Wing shall be permitted to acquire:

i. mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RRIF and TFSA, as defined in the Income Tax Act, in which Wing has sole legal and beneficial ownership; and

ii. solely through a registered dealer in Ontario, to whom Wing must have given a copy of this order;

iii. only after the amounts ordered in subparagraphs 2(h), 2(i), 2(j) and 2(k) have been paid in full;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to each of Wing and Pollen permanently;

(d) pursuant to clause 6 of subsection 127(1) of the Act, each of Wing and Pollen is reprimanded;

(e) pursuant to clauses 7 and 8.1 of subsection 127(1) of the Act, Wing shall resign any position that he holds as a director or an officer of any reporting issuer or registrant;

(f) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Wing is prohibited permanently from becoming or acting as a director or an officer of any reporting issuer, registrant or investment fund manager;

(g) pursuant to clause 8.5 of subsection 127(1) of the Act, Wing is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(h) pursuant to clause 9 of subsection 127(1) of the Act, Wing and Pollen shall jointly and severally pay administrative penalties in the total amount of $1,500,000 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

(i) pursuant to clause 9 of subsection 127(1) of the Act, Wing shall pay an administrative penalty in the amount of $250,000 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

(j) pursuant to clause 10 of subsection 127(1) of the Act, Wing and Pollen shall jointly and severally disgorge the amount of $520,916 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and

(k) pursuant to section 127.1 of the Act, Wing and Pollen shall jointly and severally pay the amount of $300,000 in respect of part of the costs of the Commission's investigation and hearing;

3. With respect to Fiorillo:

(a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Fiorillo shall cease for 15 years;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Fiorillo is prohibited for 15 years;

(c) as exceptions to the 15-year prohibitions in respect of trading and acquisition of securities ordered in subparagraphs 3(a) and 3(b) above, only after the amounts ordered in subparagraphs 3(j), 3(k) and 3(l) have been paid in full, Fiorillo shall be permitted:

i. for a period of six months from the date of this order, for the sole purpose of liquidating all securities held in accounts over which Fiorillo exercises direction and control:

1. to trade or acquire put/call options for the sole purpose of flattening existing positions, such that at the end of the six-month period he will have no outstanding exposure to options; and

2. to exercise any options that expire within the six-month period and trade or acquire the related stock position as necessary; and

3. to trade any other securities;

ii. to trade and/or acquire mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RRIF and TFSA, as defined in the Income Tax Act, in which Fiorillo has sole legal and beneficial ownership, solely through a registered dealer in Ontario, to whom Fiorillo must have given a copy of this order;

(d) as a further exception to the 15-year prohibitions in respect of trading and acquisition of securities ordered in subparagraphs 3(a) and 3(b) above, after the amounts ordered in subparagraphs 3(j), 3(k) and 3(l) have been paid in full, Fiorillo shall be permitted to retain the services of one or more independent, arms-length dealer/portfolio manager(s) who are registered in accordance with Ontario securities law, to manage Fiorillo's securities holdings, provided that:

1. the respective registered dealer/portfolio manager(s) is provided with a copy of this order prior to trading or acquiring securities on Fiorillo's behalf;

2. the respective registered dealer/portfolio manager(s) has sole discretion over what trades and acquisitions may be made in the account and Fiorillo has no direction or control over the selection of specific securities;

3. Fiorillo is permitted to have annual discussions with the respective registered dealer/portfolio manager(s) for the sole purpose of Fiorillo providing information regarding

general investment objectives, suitability and risk tolerance or as required under Ontario securities law; and

4. Fiorillo may change registered dealer/portfolio manager(s), subject to the conditions set out above, with notice to the Commission of any such change to be filed by Fiorillo within 30 days of making such change;

(e) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Fiorillo for 15 years;

(f) pursuant to clause 6 of subsection 127(1) of the Act, Fiorillo is reprimanded;

(g) pursuant to clause 7 of subsection 127(1) of the Act, Fiorillo shall resign any position that he holds as a director or an officer of any reporting issuer;

(h) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Fiorillo is prohibited for 15 years from becoming or acting as a director or an officer of any reporting issuer, registrant or investment fund manager;

(i) pursuant to clause 8.5 of subsection 127(1) of the Act, Fiorillo is prohibited for 15 years from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(j) pursuant to clause 9 of subsection 127(1) of the Act, Fiorillo shall pay administrative penalties in the total amount of $350,000 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

(k) pursuant to clause 10 of subsection 127(1) of the Act, Fiorillo shall disgorge the amount of $175,138 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and

(l) pursuant to section 127.1 of the Act, Fiorillo shall pay the amount of $50,000 in respect of part of the costs of the Commission's investigation and hearing.

4. With respect to Stephany:

(a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Stephany shall cease for 15 years, except that Stephany shall be permitted to trade in:

i. mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RRIF and TFSA, as defined in the Income Tax Act, in which Stephany has sole legal and beneficial ownership;

ii. solely through a registered dealer in Ontario, to whom Stephany must have given a copy of this order; and

iii. only after the amounts ordered in subparagraphs 4(g), 4(h) and 4(i) have been paid in full;

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Stephany is prohibited for 15 years except that Stephany shall be permitted to acquire:

i. mutual funds, exchange-traded funds, government bonds and/or GICs for the account of any RRSP, RRIF and TFSA, as defined in the Income Tax Act, in which Stephany has sole legal and beneficial ownership;

ii. solely through a registered dealer in Ontario, to whom Stephany must have given a copy of this order; and

iii. only after the amounts ordered in subparagraphs 4(g), 4(h) and 4(i) have been paid in full;

(c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Stephany for 15 years;

(d) pursuant to clause 6 of subsection 127(1) of the Act, Stephany is reprimanded;

(e) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Stephany is prohibited for 15 years from becoming or acting as a director or an officer of any reporting issuer, registrant or investment fund manager;

(f) pursuant to clause 8.5 of subsection 127(1) of the Act, Stephany is prohibited for 15 years from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(g) pursuant to clause 9 of subsection 127(1) of the Act, Stephany shall pay administrative penalties in the total amount of $15,000 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

(h) pursuant to clause 10 of subsection 127(1) of the Act, Stephany shall disgorge the amount of $7,511 to the Commission, which shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act; and

(i) pursuant to section 127.1 of the Act, Stephany shall pay the amount of $25,000 in respect of part of the costs of the Commission's investigation and hearing.

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

"Edward P. Kerwin"

" AnneMarie Ryan"

"Deborah Leckman"

2.2.7 Telus Corporation – 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, up to 3,750,000 of its common shares from one of its shareholders – 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 common shares of the Issuer in anticipation or contemplation of a sale of common 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 common shares of the Issuer to re-establish its holdings of common 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

AND

IN THE MATTER OF
TELUS CORPORATION

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of TELUS Corporation (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 3,750,000 (the "**Subject Shares**") of its common shares (the "**Common Shares**") in one or more trades with 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 5, 6, 7, 8, 11, 22, 23, 24, 25 and 28 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (British Columbia).

2. The head office and registered office of the Issuer is located at Floor 5, 3777 Kingsway, Burnaby, British Columbia and its executive office at Floor 8, 555 Robson, Vancouver, British Columbia.

3. The Issuer is a reporting issuer in each of the provinces of Canada 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 "T" and "TU", respectively. 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 authorized share capital of the Issuer consists of 4,000,000,000 shares, divided into: (i) 2,000,000,000 Common Shares without par value; (ii) 1,000,000,000 First Preferred shares without par value; and (iii) 1,000,000,000 Second Preferred shares without par value. As at October 31, 2015, 599,938,876 Common Shares, no First Preferred Shares and no Second Preferred Shares were issued and outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario. The trades contemplated by this application will be executed and settled in the Province of Ontario.

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

7. The Selling Shareholder is the beneficial owner of at least 3,750,000 Common 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.

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

9. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Notice**") that was submitted to, and accepted by the TSX, effective September 10, 2015, the Issuer is permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") to purchase up to 16,000,000 Common Shares, representing 2.62% of the Issuer's public float of Common Shares as of the date specified in the Notice, subject to a maximum aggregate purchase price consideration of $500.0 million. In accordance with the Notice, the Normal Course Issuer Bid is conducted through the facilities of the TSX, the NYSE or alternative Canadian trading platforms, or 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 NCIB Rules**"), including, by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**"). The TSX has indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid.

10. On September 15, 2015, the Issuer entered into an automatic repurchase plan (the "**ARP**") with a broker providing for automatic purchases of Common Shares to be conducted by the broker on the TSX or alternative Canadian trading platforms within pre-determined parameters as part of the Normal Course Issuer Bid at such times when the Issuer would not be permitted to trade in its shares during internal blackout periods, including regularly scheduled quarterly blackout periods. Under the ARP, at times it is not subject to blackout restrictions, the Issuer may, but is not required to, instruct the designated broker to make purchases under its Normal Course Issuer Bid in accordance with the terms of the ARP. Such purchases under the ARP will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any blackout period in accordance with TSX rules, applicable securities laws (including this Order) and the terms of the agreement between the broker and the Issuer. The ARP was approved by the TSX and is in compliance with the TSX NCIB Rules, applicable securities law and this Order and was implemented on October 1, 2015. The Issuer will instruct the broker not to conduct a Block Purchase (defined below) in accordance with the TSX NCIB Rules during the calendar week in which the Issuer completes a Proposed Purchase (defined below). No Subject Shares will be acquired under the ARP or otherwise during the Issuer's blackout periods.

11. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**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 before September 14, 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 Common Shares on the TSX and below the bid-ask price on the TSX for the Common Shares at the time of each Proposed Purchase.

12. 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.

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

14. 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 Common Shares on the TSX at the time of each Proposed Purchase, each Proposed Purchase 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 section 101.2(1) of the Act.

15. 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 Common Shares on the TSX at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.

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

17. 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.

18. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid through the facilities of the TSX, and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.

19. 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 Common 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.

20. To the best of the Issuer's knowledge, as of October 31, 2015, the "public float" for the Common Shares represented more than 99.86% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

21. The Common 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.

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

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

24. At the time that each 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 Canadian Equity Derivative Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the 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.

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

26. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 5,333,333 Common Shares as of the date of this Order.

27. The Issuer will not purchase Common Shares pursuant to the Proposed Purchases during designated blackout periods designated and administered in accordance with the Issuer's corporate policies.

28. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after October 18, 2015, being the date that was 30 days prior to the date of the application of the Issuer seeking this Order, in anticipation or contemplation of a sale of Common Shares to the Issuer.

29. As at November 16, 2015, an aggregate of 1,186,300 Common Shares have been acquired by the Issuer pursuant to the Normal Course Issuer Bid, none of which were purchased pursuant to clause 104(2)(c) of the Act exempting the Issuer from the Issuer Bid Requirements in connection with Off-Exchange Block Purchases by the Issuer.

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 3,750,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 3,750,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 23.44% of the maximum of 16,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

AND UPON the Commission being satisfied 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 the Proposed Purchases, 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 Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules or another Off Exchange Block Purchase during the calendar week in which it completes each Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a 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(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, and subject to condition (i) below, by Off-Exchange Block Purchases;

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 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 Canadian Equity Derivative Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the 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 Common 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 Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such 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 Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 5,333,333 Common Shares; and

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

DATED at Toronto, Ontario this 27th day of November, 2015.

"Edward Kerwin"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.8 2 Wongs Make It Right Enterprises Ltd. et al. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
2 WONGS MAKE IT RIGHT ENTERPRISES LTD.,
1409779 ALBERTA LTD. o/a CANREIG EDMONTON,
INTEGRITY PLUS MANAGEMENT INC.,
KHOM WONG, also known as KHOM NGOAN HUYNH, and
JANEEN WONG, also known as JANEED M. SCHIMPF

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

WHEREAS

1. On January 29, 2015, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of 2 Wongs Make It Right Enterprises Ltd. (“2 Wongs”), 1409779 Alberta Ltd. o/a CANREIG Edmonton (“779”), Integrity Plus Management Inc. (“Integrity Plus”), Khom Wong, also known as Khom Ngoan Huynh (“Khom”), and Janeen Wong, also known as Janeen M. Schimpf (“Janeen”) (collectively, the “Respondents”);

2. On January 28, 2015, Staff of the Commission (“Staff”) filed a Statement of Allegations in respect of the same matter;

3. On March 2, 2015, Staff brought an application to convert the matter to a written hearing and the Respondents did not appear, although properly served;

4. On March 2, 2015, Staff filed an affidavit of service sworn by Lee Crann on February 25, 2015, and marked as Exhibit 1, indicating steps taken by Staff to serve the Respondents with the Notice of Hearing, Statement of Allegations, and Staff’s disclosure materials, and made submissions to the Commission;

5. On March 5, 2015, the Commission granted Staff’s application to proceed by way of written hearing;

6. On March 31, 2015, Staff filed written submissions, a hearing brief, a book of authorities and the Affidavit of Lee Crann sworn March 31, 2015;

7. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED:

(a) Against 2 Wongs that:

   i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of 2 Wongs cease permanently;

   ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by 2 Wongs cease permanently;

   iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by 2 Wongs be prohibited permanently;

   iv. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws do not apply to 2 Wongs permanently; and

   v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, 2 Wongs shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(b) Against 779 that:

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of 779 cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by 779 cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by 779 be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws do not apply to 779 permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, 779 shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(c) Against Integrity Plus that:

i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of Integrity Plus cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Integrity Plus cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Integrity Plus be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities laws do not apply to Integrity Plus permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Integrity Plus be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(d) Against Khom that:

i. pursuant to paragraph 1 of subsection 127(1), Khom shall be prohibited under Ontario securities law from being registered in any category from which he is prohibited by the ASC Order until November 27, 2024;

ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities in Ontario by Khom cease until November 27, 2024, except that this order does not preclude him from trading in securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs") or tax-free savings accounts ("TFSAs"), or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities in Ontario by Khom cease until November 27, 2024, except that this order does not preclude him from purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

iv. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Khom until November 27, 2024, except that this order does not preclude him from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

v. pursuant to paragraph 7 of subsection 127(1) of the Act, Khom resign any positions that he holds as director or officer of any issuer;

vi. pursuant to paragraph 8 of subsection 127(1) of the Act, Khom be prohibited until November 27, 2024 from becoming or acting as an officer or director of any issuer; and

vii. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Khom be prohibited until November 27, 2024 from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(e) Against Janeen that:

i. pursuant to paragraph 1 of subsection 127(1), Janeen shall be prohibited under Ontario securities law from being registered in any category from which she is prohibited by the ASC Order until November 27, 2024;

ii. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities in Ontario by Janeen cease until November 27, 2024, except that this order does not preclude her from trading in securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities in Ontario by Janeen cease until November 27, 2024, except that this order does not preclude her from purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

iv. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Janeen until November 27, 2024, except that this order does not preclude her from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

v. pursuant to paragraph 7 of subsection 127(1) of the Act, Janeen resign any positions that she holds as director or officer of any issuer;

vi. pursuant to paragraph 8 of subsection 127(1) of the Act, Janeen be prohibited until November 27, 2024 from becoming or acting as an officer or director of any issuer; and

vii. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Janeen be prohibited until November 27, 2024 from becoming or acting as a registrant, as an investment fund manager or as a promoter.

DATED at Toronto this 30th day of November, 2015.

“Mary Condon”

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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 a Preliminary Determination of an Issue)**

Hearing:	November 6, 2015		
Decision:	November 30, 2015		
Panel:	Christopher Portner	–	Commissioner
Appearances:	Alistair Crawley Michael Byers	–	For Stuart McKinnon
	Derek Ferris Catherine Weiler	–	For Staff of the Commission

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REASONS AND DECISION

I. INTRODUCTION

[1] On December 9, 2014, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing in connection with a Statement of Allegations filed by Staff of the Commission ("**Staff**") on December 8, 2014 (the "**Statement of Allegations**") in which Staff makes a number of allegations relating to, among others, Pro-Financial Asset Management ("**PFAM**") and Stuart McKinnon ("**McKinnon**").

[2] On November 6, 2015, the Commission held a hearing to consider a motion brought by McKinnon which requested that the Commission make a preliminary determination of an issue with respect to the Statement of Allegations (the "**Motion**"). More specifically, McKinnon seeks an order from the Commission dismissing Staff's allegations that (a) the conduct of PFAM with respect to certain Principal Protected Notes (collectively, the "**PPNs**" and, individually, a "**PPN**") caused PFAM to breach subsection 2.1 of the Commission's Rule 31-505 *Conditions of Registration* ("**Rule 31-505**"); (b) McKinnon authorized, permitted, or acquiesced in such conduct; and (c) such conduct was contrary to the public interest (collectively, the "**PPN Allegations**"). In the alternative, McKinnon requests an order declaring that it is not in the public interest that the Commission hear the PPN Allegations.

[3] On November 26, 2015, I issued an Order dismissing the Motion which stated that the reasons would follow. Set out below are the reasons for the Order.

II. BACKGROUND

[4] McKinnon was the founder of PFAM and has been a director and directing mind of PFAM since its incorporation on November 6, 2002. On May 17, 2013, the Commission issued a temporary order which suspended PFAM's registration as a dealer in the category of exempt market dealer and attached terms and conditions to PFAM's registration as an adviser in the category of portfolio manager and as an investment fund manager. The temporary order was extended and varied on numerous occasions and, by order dated February 17, 2015 which was issued on consent, PFAM's registration as an adviser in the category of portfolio manager was suspended. PFAM no longer carries on any registrable activity.

[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.

[6] Nine series of the PPNs were issued by Société-Genérale (Canada) ("**SocGen**") and BNP Paribas (Canada) ("**BNP**" and, together with SocGen, the "**PPN Issuers**"). Copies of the Information Statements relating to the PPNs, each of which included a summary of the offering, a plan of distribution, a description of the use of proceeds, risk factors and certain income tax considerations (collectively, the "**Information Statements**") were attached as Exhibit C to McKinnon's Affidavit sworn October 8, 2015 (the "**McKinnon Affidavit**"). The Information Statements include an unconditional guarantee of all amounts under the PPNs to which they relate, when and as they become due and payable, by either SocGen or BNP, as the case may be.

[7] In the Affidavit of Michael Ho, Staff Accountant, sworn on October 30, 2015 (the "**Ho Affidavit**"), Legacy and PFAM are identified as the brokers for approximately $3.6 million, or 16%, of the total purchases of the PPN series known as Pro 201, Pro 301 and Pro 311 and McKinnon is identified as the dealing representative of the sales made by Legacy. In addition, out of the $94.2 million of PPNs redeemed across all nine series of PPNs, Legacy and PFAM were identified as the brokers for approximately $9.8 million, or 10.4%, of the total amount of PPN redemptions.

[8] In November 2012, staff of the Compliance and Registrant Regulation Branch of the Commission was advised by the former President and Chief Financial Officer of PFAM that there was a discrepancy between the records relating to the PPNs of Investment Administration Solutions Inc. ("**IAS**"), which was the record-keeper for the PPNs, and Concentra Trust or its predecessor, the Co-operative Trust Company of Canada (together, "**Concentra**"), the trustee and escrow agent for various series of PPNs.

[9] On April 23, 2013, in response to a request from Staff, PFAM provided Staff with a preliminary reconciliation report, and on September 30, 2013, a further and final reconciliation report, indicating that there was a discrepancy between the records of IAS and Concentra of approximately $1,222,549.45. As a result, the total amount owing to the holders of the PPNs according to the records of IAS exceeded the amount reflected in Concentra's records by $1,222,549.45 after accounting for the amount in PFAM's trust account.

[10] In a letter to Staff dated February 20, 2013, Samantha Pinto, the Chief Financial Officer of PFAM ("**Pinto**"), advised Staff that Legacy withdrew from involvement with the PPN program in 2005 and had been replaced since that time by PFAM. In a prior letter dated January 11, 2013, Pinto indicated that "PFAM, then called Pro Hedge Funds Inc. assisted the issuer, [SocGen], through a PFAM affiliate, Legacy, as an agent in the distribution of the Notes". McKinnon's position is that, while mutual fund clients of Legacy purchased PPNs, Legacy is not a party to these proceedings.

[11] In a letter to Staff dated July 12, 2013 (the "**July 12 Letter**"), SocGen's external counsel stated that:

> PFAM's intended role was solely to be a conduit for client sales orders to receive the funds payable to those clients by [SocGen] following the execution and pricing and to in turn pay those amounts to the holders of Notes. The structure did not contemplate any involvement of PFAM in establishing

> the value paid to noteholders for their Notes…or any active role by PFAM in the purchase or sale of Notes on its own account.
>
> … It appears that PFAM undertook on its own initiative a role in the secondary trading of Notes that varies materially from the role that was contemplated by the structure. Please note that this role was undertaken without any discussion with or direction from [SocGen], appears to have been undertaken by PFAM entirely at its own accord and appears to be contrary to PFAM's contractual obligations to SocGen"
>
> …
>
> After the distribution was completed, however, PFAM undertook various other activities with respect to the Notes on its own account and not as agent of [SocGen]. Many of those activities were provided for in the contracts between [SocGen] and PFAM, but not on the basis of PFAM acting as agent for [SocGen].

[12] The parties submitted evidence that PFAM directly, or as the contractual successor of Pro-Hedge-Funds and Legacy, entered into various agreements with the PPN Issuers. I note in this regard that, in the July 12 Letter, SocGen's external counsel also indicated that "PFAM is the successor to a number of distinct entities in the Pro-Financial group, including entities bearing the names of Pro-Hedge, Pro-Performance, and Legacy". The July 12 Letter and the correspondence from Pinto described in paragraph [10] above are consistent and appear to reflect PFAM's assumption of Legacy's obligations with respect to the PPNs at some time during 2005.

[13] PFAM entered into Agency Agreements with SocGen dated March 29, 2006 and July 13, 2006 (the "**Agency Agreements**") pursuant to which SocGen appointed PFAM to act as exclusive agent for SocGen for the purposes of soliciting and receiving offers and selling PPNs. As part of conditions of closing, the Agency Agreements stated that:

> [PFAM] shall, and shall require the Dealers [dealers or brokers] to, comply with all applicable Securities Laws and the provisions of this Agreement that are applicable to them in connection with the solicitation of offers.
>
> …
>
> [PFAM] is registered as a limited market dealer in the Province of Ontario under the Securities Act (Ontario), and such registration is in good standing, and has filed such notices and otherwise done such things in connection with such registration(s) as may be required in order to permit [PFAM] to solicit offers for Notes in such provinces(s).

[14] The Agency Agreement dated March 29, 2006 also states that:

> … the Agent [PFAM] agrees with [SocGen] that it will be the respective responsibilities of the <u>Agent and each Dealer to comply with all applicable suitability rules, regulations, standards or requirements in connection with recommendations to the Agent's and such Dealer's customers regarding the purchase, sale or exchange of [the PPNs], and [PFAM] covenants and agrees with [SocGen] that it will comply, and require all Dealers to comply, with such rules, regulations, standards or requirements in connection with any such recommendations.</u> (Emphasis added.)

[15] PFAM also entered into a Marketing Services and Administration Agreement with BNP dated February 13, 2006 pursuant to which, among other things, PFAM represented and warranted that "[PFAM] is registered with the Ontario Securities Commission under the securities laws of Ontario as a limited market dealer and is not in default of any requirement or condition relating to such registration." PFAM also agreed "… to comply in all material respects with (i) the terms and conditions of the Notes, as set out in the Information Statement, and (ii) <u>Securities Legislation</u>, Tax Legislation and other Applicable Laws". (Emphasis added.)

[16] In a letter to Staff dated April 23, 2013, Milind Jog, National Sales Manager of PFAM, stated that PFAM's only relationship was with the issuer for which it acted as agent and, in a limited fashion, as investment adviser with respect to the manner in which the issuer invested the proceeds of the distribution.

III. THE ISSUES

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

(a) Should the Commission make a preliminary determination of an issue by dismissing the PPN Allegations prior to the hearing on the merits?

(b) In the alternative, should the Commission determine that it is not in the public interest to hear the PPN Allegations?

IV. POSITIONS OF THE PARTIES

[18] McKinnon submits that the PPN Allegations do not disclose any conduct contrary to Rule 31-505 or conduct contrary to the public interest. McKinnon submits that Rule 31-505 is inapplicable as PFAM's conduct that was material to the PPN Allegations did not involve PFAM acting as a dealer or adviser or otherwise engaging in registrable conduct and did not involve dealings with PFAM's clients. In oral submissions, counsel for McKinnon requests that the Commission make a determination on the narrow issue that is, in McKinnon's submission, primarily a question of law.

[19] McKinnon does, however, acknowledge that there is a factual component to the issue of whether or not the holders of the PPNs were clients of PFAM but "it is a relatively narrow factual issue that requires a narrow record and is capable of preliminary determination. And certainly there are – in the civil context, there are many instances in which summary determination is made of issues that are issues of mixed fact and law."

[20] It is McKinnon's position that, notwithstanding the factual complexity of the PPN Allegations, the Motion principally concerns a discrete analysis of the applicability of Rule 31-505 and the Commission's public interest jurisdiction that can be adjudicated by the Commission on the factual record before it.

[21] McKinnon submits that the PPN Allegations do not involve PFAM acting as a dealer or advisor to its clients or engaging in activity requiring registration under securities laws and, accordingly, the PPN Allegations do not fall under Rule 31-505. McKinnon submits that PFAM's roles in respect of the PPNs fell into one of three categories, namely, (i) sales agent; (ii) investment advisor; and (iii) note administrator or administrative agent. McKinnon submits that the PPN Allegations concern the latter category and that PFAM's role as administrator was a back office or intermediary role and involved only passing along orders and transferring funds. McKinnon states that the foregoing activities did not involve typically registrable activities and did not require that PFAM hold any categories of registration or engage any of its formerly held categories of registration.

[22] McKinnon submits that the holders of the PPNs were not PFAM clients within the meaning of section 2.1 of Rule 31-505 and that PFAM only received orders for the PPNs through dealers and advisors with whom the holders of the PPNs had accounts.

[23] McKinnon submits that dismissing the PPN Allegations would dramatically reduce the length and complexity of the hearing on the merits and further the principles of fairness, efficiency and proportionality. McKinnon submits that hearing the PPN Allegations would not further the fundamental aims of securities regulation and would be an unnecessary drain on the Commission's time and resources.

[24] Staff opposes the Motion on the basis that it is premature. Staff alleges that, through various administrative, accounting, compliance and oversight failures relating to the PPNs over the period from approximately July 2003 to February 2013, PFAM and McKinnon were responsible for a shortfall of approximately $1.2 million that is owed to the holders of the PPNs and will ultimately be paid by the PPN Issuers under the terms of their respective guarantees. Staff submits that the legal issues with respect to the PPN Allegations cannot be decided on the factual record before the Commission.

[25] It is Staff's position that, even if the PPN Allegations were dismissed summarily, related allegations would still remain unresolved. Staff submits that, in order to avoid fragmenting the proceeding, the Statement of Allegations in its entirety should be considered at the hearing on the merits on the basis of a full evidentiary record. Staff submits that the Panel hearing the Motion should not make any orders that restrict or limit the discretion of the Panel at the hearing on the merits when dealing with the PPN Allegations.

[26] Staff submits that, given the overlap in the evidence to be called by Staff in respect of the PPN Allegations and the allegations that PFAM failed to establish an adequate system of controls and supervision, it would be impractical and unfair to Staff and the Panel at the hearing on the merits if I were to address the issues raised in the Motion at this preliminary stage. Staff also submits that, at paragraph 62 of McKinnon's Memorandum of Fact and Law, McKinnon's counsel admits that there is a significant overlap between the PPN Allegations and the other allegations of Staff.

[27] Staff submits that the goal of keeping hearing costs down should not outweigh the goal of the timely, open and efficient administration and enforcement of the Act such that meritorious allegations by Staff are summarily dismissed. Staff also submits that, contrary to McKinnon's submissions, the connection between the PPN Allegations and Ontario securities law is significant, and that the registrant obligation to act fairly, honestly and in good faith to its clients goes to the heart of registration under the Act.

[28] Staff submits that the determination of whether a client relationship exists is highly fact-specific and is an issue of mixed fact and law and that such issues require the Commission to engage in a fact finding exercise based on a complete factual record.

[29] Staff expects that the evidence will demonstrate that PFAM was identified as the broker for purchases of the Pro 201, Pro 301 and Pro 311 series of PPNs having a value of $45,800 and that PFAM has been solely responsibility with respect to PPNs since 2005. Staff also expects to tender correspondence which will explain PFAM's role in the purchase of PPNs and believes that the evidence to be called at the hearing on the merits will clearly demonstrate that there is a triable issue with respect to Staff's allegation that PFAM breached its obligation as a registrant to act fairly, honestly and in good faith to its clients with respect to the PPN Allegations.

[30] Staff submits that the PPN Allegations raise factual issues which cannot be resolved on the basis of the affidavit evidence that has been filed in connection with the Motion given the seriousness of the allegations, the facts and issues in dispute, the public interest and the consequence of the PPN discrepancy, the ongoing registration application by McKinnon and the evidence that Staff expects to lead at the hearing on the merits.

V. ANALYSIS

A. Should the Commission make a preliminary determination of an issue by dismissing the PPN Allegations prior to the hearing on the merits?

1. Legal Framework

[31] 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". The Divisional Court has held that the Commission is a 'master' of matters which fall under its own procedure (*Costello, Re* (2004), 242 D.L.R. (4th) 301).

[32] The Supreme Court of Canada in *Hryniak v Mauldin*, 2014 S.C.C. 7 ("***Hryniak***") has recognized that, if the process is disproportionate to the nature of the dispute and the interests involved, it will not achieve a fair and just result and that the proportionality principle means that the best forum for resolving a dispute is not always that with the most painstaking procedure (at paras. 28 and 29).

[33] The Commission has relied on *Hryniak* in the context of a motion brought during the hearing on the merits to permit written witness statements in lieu of oral examinations in chief (*Sino-Forest Corp., Re* (2015), 38 O.S.C.B. 6205). The Commission held that "the apparent time and expense of this [*Sino-Forest Re*] case to date confirm the importance of the Supreme Court decision in *Hryniak*" (para. 25) and found that "to acknowledge the wisdom of the decision in Hyrniak requires an effort to shorten the proceedings" (para.26).

[34] The Commission does not generally conduct preliminary determinations of matters involving disputed facts separately from the hearing on the merits (*Furtak (Re)*, (2015) 38 O.S.C.B. 6209 ("***Furtak***") at paras 13-14; *Khan (Re)* (2014), 37 O.S.C.B. 1035 ("***Khan***") at paras. 14-16; *Uranium308 Resources Inc. et al (Re)* (2010), 33 O.S.C.B. 12028 ("***Uranium308***") at para. 9; *Sabourin (Re)* (2009), 32 O.S.C.B. 2707 ("***Sabourin***") at paras. 22-24). Instead, the Commission has determined that it is more appropriate to consider the matter at the hearing on the merits unless the evidentiary foundation for the determination is not in dispute (*Duggan (Re)*, (1994), 17 O.S.C.B. 2103 ("***Duggan***"); *Belteco Holdings Inc. (Re)* (1997), 20 O.S.C.B. 1835 ("***Belteco***"); *Heidary*; *Boyle (Re)*, (2006) 29 O.S.C.B. 3365 ("***Boyle***")).

[35] The Commission has held that "interlocutory proceedings ought not to be permitted to take on lives of their own and it is important to the fair and expeditious determination of the matters to be determined on the merits that hearings not become fragmented (*TSX Inc. (Re)*, (2008), 30 O.S.C.B. 8917 at para. 188).

[36] 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***"), 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.

[37] The Commission's decision in *Mega C* sets 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:

> 34 …
>
> (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.)

[38] I will consider each of the foregoing factors in the context of the relief sought in the Motion.

2. <u>Preliminary determination on an issue with respect to the PPN Allegations</u>

[39] It is evident from a review of the affidavits filed in connection with the Motion that the evidence relating to the PPN Allegations would not likely be distinct from the evidence to be tendered at the hearing on the merits relating to other allegations in the Statement of Allegations. In particular, it is clear that the evidence relating to the PPN Allegations will not be distinct from the allegations relating to PFAM's alleged failure to establish, maintain and apply policies and procedures that establish an adequate system of controls and supervision.

[40] McKinnon's counsel acknowledges that the "Statement of Allegations reveals significant overlap between the PPN Allegations and other allegations, including PFAM's alleged failure to retain books, records and other documents; PFAM's allegedly inadequate controls and compliance systems; and McKinnon's alleged failings as ultimate designated person, President and CEO of PFAM." Examples of alleged overlapping conduct are set out in the Ho Affidavit, including allegations that PFAM (i) made unsupported requests for the redemption of PPNs; (ii) mishandled PPN redemption payments; (iii) failed to account for monies in PFAM's trust account; (iv) caused or permitted deficiencies in the PPN records; and (v) failed to communicate and investigate PPN discrepancies when they arose.

[41] The facts relating to PFAM's relationship with the holders of the PPNs, an issue that is central to the PPN Allegations, are clearly disputed by the parties. McKinnon submits that PFAM's activities did not require PFAM to hold any categories of registration or engage in any of its formerly held categories of registration, and that the PPN Issuers "are more than capable of protecting their commercial interests to the extent that they believe they have been damaged by any deficient performance by PFAM of its contractual duties." However, as reflected in part in paragraphs [13], [14] and [15] above, PFAM undertook to perform certain duties that, with the benefit of a full evidentiary record, might support Staff's contention that some of the holders of the PPNs were clients of PFAM for the purposes of Rule 31-505 or that some of PFAM's activities on behalf of the holders of PPNs were registrable in nature.

[42] Staff submits that it has been the Commission's practice in enforcement proceedings to determine whether a respondent was engaged in registrable conduct, breached an obligation owed to clients or otherwise contravened Ontario securities law during the hearing on the merits of Staff's allegations with the benefit of a full evidentiary record and argument by the parties (*Furtak*, *supra* at paras. 13-14; *Khan*, *supra* at paras 14-16; *Uranium308*, *supra* at para 9; *Sabourin*, *supra* at paras.22-24).

[43] McKinnon submits that, if the Motion is granted, the hearing on the merits will proceed in a much more expeditious fashion. Although a shorter hearing may result if the PPN Allegations were dismissed, the Commission has held that the time saved is not determinative of the matter (*Duggan*, *supra* at para. 11).

[44] The hearing on the merits ensures a fair process for presenting and testing evidence and provides the parties with an opportunity to make arguments prior to the Commission determining whether Staff has proved its allegations (*Superintendent of Financial Services and Ontario Securities Commission v Universal Settlements International Inc.*, [2001] O.J. No. 4301 at paras. 26 and 29).

[45] There are, however, circumstances in which the preliminary determination of a matter prior to the hearing on the merits is appropriate. Staff submits that the Commission has found that a preliminary determination of a matter should be conducted in circumstances when:

(a) A matter raised on a preliminary motion would conclude the whole matter expeditiously on relatively narrow grounds (*Belteco*, *supra* at para. 20);

(b) The argument raised is a legal one and disposing of it would conclude the matter or narrow it, saving all parties time and expense (*Heidary*, *supra* at para. 9;

(c) If all counsel agree the evidentiary basis for the determination is clear, or there are no facts relevant to the motion that are in dispute or that need to be clarified through further evidence (*Duggan*, *supra* at paras. 7 and 12; *Boyle*, *supra* at paras. 57-58.).

[46] In my view, (i) disposing of the PPN Allegations on a preliminary motion would not conclude the whole matter expeditiously; (ii) the issue raised with respect to the applicability of Rule 31-505 is not a purely legal issue, but rather an issue of mixed fact and law which cannot be determined on the basis of the evidentiary record provided in connection with the hearing on the Motion; and (iii) counsel for the parties do not agree that the evidentiary basis for the determination of the issues raised in the Motion relating to the PPN Allegations is clear and the facts relating to the matter are clearly in dispute.

[47] McKinnon relies on *Boyle* in support of his request that the Commission make a preliminary determination and dispose of the PPN Allegations. In *Boyle*, the Commission quashed the statement of allegations and notice of hearing and dismissed the proceeding against the respondents, Boyle and Melnick, on the basis of the expiry of the limitation period pursuant to section 129.1 of the Act. The Commission held that "even if the evidence in a hearing on the merits were to prove all the events referenced in the statement of allegations, that would not change the reality that the allegations of wrongdoing in the statement of allegations are not based on a last event subsequent to the limitation date." (*Boyle*, *supra* at para.58.)

[48] Unlike the circumstances in this matter, the Commission in *Boyle* found that there were no facts relevant to the motion that were in dispute or that needed to be clarified through further evidence.

[49] The Commission has typically determined whether or not alleged conduct is contrary to the public interest at the conclusion of a hearing on the merits and not as a preliminary determination.

[50] In my view, and to paraphrase *Mega C*:

(a) The issues raised in the Motion cannot be fairly, properly or completely resolved without regard to contested facts and the anticipated evidence 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; and

(c) The resolution of the issues raised in the Motion will not advance 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 prior to the commencement of the hearing on the merits.

B. Should the Commission determine that it is not in the public interest to hear the PPN Allegations?

[51] 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.

[52] Subsection 2.1(3) of the Act provides that "Effective and responsive securities regulation requires timely, open and efficient administration and enforcement of this Act by the Commission." Further, subsection 2.1(6) of the Act provides that "Business and regulatory costs and other restrictions on the business and investment activities of market participants should be proportionate to the significance of the regulatory objectives sought to be realized." The Commission is guided by these animating purposes and principles in administering and enforcing the Act (*Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 41).

[53] McKinnon submits that, in appropriate circumstances, the Commission may decline to hear a matter or a particular allegation even if it finds that Staff is able to demonstrate an arguable breach of securities law. McKinnon submits that, even if the Commission finds that there may be a basis for a finding that PFAM's conduct violated section 2.1 of Rule 31-505, the Commission should decline to hear the PPN Allegations because the connection to Ontario securities law is at most marginal.

[54] In McKinnon's view, allowing the PPN Allegations to proceed will inevitably result in the parties and the Commission spending countless hours and significant funds allocating blame for what was an accounting miscommunication between commercially sophisticated counterparties and which resulted in no investor harm.

[55] Staff submits, and I agree, that declining to hear the PPN Allegations would be inconsistent with the purposes and principles of the Act because such purposes and principles demand that allegations against registrants be dealt with in a thorough, fair, open and timely fashion. There is a public interest in seeing serious allegations of breaches of Ontario securities law properly and fairly adjudicated in a public forum on a full evidentiary record and mindful of the need to be fair to the parties.

[56] In my view, there is no compelling public interest consideration arising in the Motion that should prompt the Commission to decline to hear the PPN Allegations.

VI. CONCLUSION

[57] For the foregoing reasons, and without having made any findings with respect to the merits of the PPN Allegations, the Motion is dismissed.

Dated at Toronto this 30th day of November, 2015.

"Christopher Portner"

3.1.2 Quadrus Investment Services Ltd. – s. 127

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

AND

IN THE MATTER OF
QUADRUS INVESTMENT SERVICES LTD.

ORAL RULING AND REASONS
(Section 127 of the Securities Act)

Hearing: November 10, 2015

Oral Ruling: November 10, 2015

Panel: Timothy Moseley – Commissioner and Chair of the Panel

Appearances: Catherine Weiler – For Staff of the Commission

Jeff Galway – For Quadrus Investment Services Ltd.

ORAL RULING AND REASONS

The following ruling and reasons have been prepared for the purpose of publication in the Ontario Securities Commission Bulletin and are based on portions of the transcript of the hearing. The excerpts from the transcript have been edited and supplemented, and the text has been approved by the Chair of the panel for the purpose of providing a public record of the oral ruling and reasons.

Chair of the panel:

[1] Staff of the Ontario Securities Commission (the "**Commission**") has made allegations against Quadrus Investment Services Ltd. ("**Quadrus**") relating to a matter that was reported by Quadrus to Commission Staff ("**Staff**") in February 2015. Specifically, Staff alleges that there were inadequacies in Quadrus's systems of controls and supervision, which resulted in certain clients paying excess fees, and that these inadequacies were not detected or corrected by Quadrus in a timely manner.

[2] If Staff's allegations had been proven at a contested hearing, the inadequacies referred to would have constituted a breach of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, which requires a registered firm such as Quadrus to establish, maintain and apply policies and procedures that establish a sufficient system of controls and supervision. However, Staff and Quadrus have entered into a settlement agreement in which Quadrus neither admits nor denies Staff's allegations or the facts underlying those allegations.

[3] My obligation is to consider whether the settlement agreement should be approved and whether it would be in the public interest to issue the order contemplated by that agreement.

[4] This settlement agreement has been the product of negotiation between Staff and Quadrus. Traditionally, the Commission affords some deference to the position taken by the parties. The Commission does not defer completely, but we do place significant weight on that negotiated outcome. Nevertheless, I must be satisfied, as I've said, that the sanctions called for in the settlement agreement are appropriate.

[5] I had the opportunity to meet with counsel for Staff and Quadrus in a confidential pre-settlement conference, to hear their submissions, and to review the proposed settlement agreement and order.

[6] The settlement agreement calls for a comprehensive compensation plan for which Quadrus clearly will be accountable going forward. Further, Quadrus has made a commitment to produce enhanced policies and procedures designed to prevent a recurrence of the alleged inadequacies. These revised policies and procedures will be subject to review by Staff.

[7] In addition, Quadrus has made a voluntary payment of $250,000 to the Commission for the benefit of third parties or for investor education, and a voluntary payment of $20,000 to reimburse the Commission for costs. Those are significant

components of the proposed settlement. In my view the terms of the order contemplated are appropriate and proportionate to the conduct described.

[8] As Staff counsel has noted, it should be clear from this proposed settlement that registered firms must have in place strong compliance systems, a principal purpose of which is to provide reasonable assurance that investors are protected and that they are treated fairly.

[9] It is very significant, in my opinion, that Quadrus took the steps that it did:

(a) Quadrus conducted, on its own initiative, an internal review, following a reported settlement involving another firm and relating to excess fees paid by clients;

(b) following that review and the discovery of the issue, Quadrus self-reported this to Staff;

(c) Quadrus has co-operated fully with Staff; and

(d) Quadrus agreed to a compensation plan, the purpose of which is to to restore the affected clients to restore the affected clients to the position in which they would have been had the alleged inadequacies not existed.

[10] The reality is that compliance inadequacies do occur, even at well-meaning registered firms. What is critically important is that when such inadequacies do occur, the registrant responds in the way that Quadrus has. Quadrus is to be commended not only for its response, but for having taken the initiative in the first place to conduct the internal review.

[11] This is a settlement where the respondent neither admits nor denies the specific allegations made. Even where a registrant responds appropriately to issues that have been raised it does not follow automatically that a registrant is entitled to have a no-contest settlement approved. However, for the reasons set out above, and with reference to the factors identified in section 17 of OSC Staff Notice 15-702 – *Revised Credit for Co-operation Program*,[1] in my view it is appropriate to approve such a settlement in this case.

[12] In addition, this settlement succeeds in resolving a matter in a timely and effective way that is efficient and that saves the potentially substantial costs that might be incurred as a result of a contested hearing.

[13] For all these reasons, I approve the settlement agreement and find that it is in the public interest to issue an order in the form of Schedule ‘A’ to that agreement.

Approved by the Chair of the Panel on 30th day of November, 2015.

“Timothy Moseley”

[1] (2014), 37 O.S.C.B. 2583

3.1.3 2 Wongs Make It Right Enterprises Ltd. et al. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
2 WONGS MAKE IT RIGHT ENTERPRISES LTD.,
1409779 ALBERTA LTD. o/a CANREIG EDMONTON,
INTEGRITY PLUS MANAGEMENT INC.,
KHOM WONG, also known as KHOM NGOAN HUYNH, and
JANEEN WONG, also known as JANEED M. SCHIMPF

REASONS AND DECISION
(Sections 127(1) and 127(10) of the Securities *Act*)

Decision: November 30, 2015

Panel: Mary G. Condon – Commissioner

Submissions by: Keir D. Wilmut – For Staff of the Commission

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REASONS AND DECISION

I. OVERVIEW

[1] This was a hearing conducted in writing before the Ontario Securities Commission (the "**Commission** or **OSC**") pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "***Act***") to consider whether it is in the public interest to make an order imposing sanctions against 2 Wongs Make It Right Enterprises Ltd. ("**2 Wongs**"), 1409779 Alberta Ltd. o/a CANREIG Edmonton ("**779**"), Integrity Plus Management Inc. ("**Integrity Plus**") (together, "**2 Wongs Issuers**"), Khom Wong, also known as Khom Ngoan Huynh ("**Khom**"), and Janeen Wong, also known as Janeen M. Schimpf ("**Janeen**") (collectively, the "**Respondents**").

[2] A notice of hearing (the "**Notice of Hearing**") in this matter was issued by the Commission on January 29, 2015, in relation to a statement of allegations (the "**Statement of Allegations**") filed by Staff of the Commission ("**Staff**") on the same date.

[3] On March 2, 2015, Staff brought an application to proceed by way of a written hearing in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 ("***Rules of Procedure***"), and subsection 5.1(2) of the *Statutory Powers Procedures Act*, R.S.O. 1990, c. S. 22, as amended (the "**SPPA**"). The Respondents did not appear

at the hearing, despite being provided with the Notice of Hearing, Statement of Allegations and disclosure, consisting of a copy of the Alberta Securities Commission's decision dated November 27, 2014.

[4] On March 5, 2015, the Commission issued an order (the "**March 5 Order**"), stating that it would grant Staff's application to proceed by way of written hearing, subject to the Respondents' right to object under the *Rules of Procedure*. The Commission ordered that the Respondents shall advise of any objections they have to proceeding by way of a written hearing by March 25, 2015 and that the Commission will consider objections from the Respondents, if any.

[5] Staff filed an Affidavit of Lee Crann (the "**Crann Affidavit**"), sworn March 31, 2015, confirming service of the March 5 Order on the Respondents, as well as service of Staff's written submissions, hearing brief and brief of authorities.

[6] The Respondents did not file any responding materials. I am satisfied that the Respondent was provided with notice of the March 5 Order. Pursuant to Rule 7.1 of the Commission's *Rules of Procedure* and subsection 7(2) of the SPPA, I may proceed in the absence of the Respondents.

[7] These are my reasons and decision with respect to the sanctions sought by Staff in this matter.

II. THE DECISION AND ORDER OF THE ALBERTA SECURITIES COMMISSION

[8] On November 27, 2014, a panel of the Alberta Securities Commission (the "**ASC Panel**") found that the Respondents committed various breaches of the Alberta *Securities Act*, R.S.A. 2000, c. S-4 (the "**ASA**"), and *Re 2 Wongs Make It Right Enterprises Ltd.*, 2014 ABASC 475 ("**ASC Decision**").

[9] The ASC Panel, in the same decision, imposed various sanctions on the Respondents, which would be sanctions, conditions, restriction or requirements that fall within the meaning of paragraph 4 of subsection 127(10) of the *Act*.

A. The Decision of the Alberta Securities Commission

[10] The conduct for which the Respondents were sanctioned occurred between March 2008 and August 2011 (the "**Material Time**").

[11] During the Material Time, Khom and Janeen were residents of Alberta. Khom was the sole shareholder, and a director and officer of 2 Wongs. Khom was also the sole director of each of 779 and Integrity Plus. Janeen, the other individual respondent, is Khom's spouse, and was also a director and officer of 2 Wongs, and the sole shareholder of Integrity Plus.

[12] With respect to the corporations that are respondents in this proceeding, 2 Wongs and 779 were both incorporated in Alberta. 779 was wholly owned by 2 Wongs. Integrity Plus was a federal corporation. The ASC Panel noted that all three corporations have been struck under their incorporating laws.

[13] The Respondents made admissions in respect of the alleged breaches of the ASA. The ASC Panel made the following findings, consistent with the admissions of the Respondents. The ASC Panel found that:

(a) Each of the Respondents acted as a dealer without being registered to do so, contrary to section 75(1)(a) of the ASA;

(b) Each of the Respondents engaged in an illegal distribution of securities, contrary to section 110(1) of the ASA;

(c) As directors or officers (or both) of 2 Wongs, 779 and Integrity Plus, Khom and Janeen authorized, permitted or acquiesced in the contraventions of sections 75(1)(a) and 110(1) of the ASA by the 2 Wongs Issuers;

(d) Khom acted as an adviser without being registered to do so, contrary to section 75(l)(b) of the ASA;

(e) Khom made misrepresentations to investors, contrary to section 92(4.1) of the ASA; and

(f) Khom perpetrated a fraud, contrary to section 93(b) of the ASA.

[14] The ASC Panel found that during the Material Time, Khom and the 2 Wongs Issuers raised approximately $4,970,000 from approximately 46 investors for investments in CANREIG and in Alberta real estate developments.

[15] The ASC Panel also found that Khom perpetrated fraud because he advised investors to maximize the amount of funds they could borrow on the equity in their homes by making simultaneous loan applications to several lending institutions on the same day (Khom referred to this as the multi-loan game or the money loan game). The ASC Panel found that

"the deception was made at Khom's prompting, and both the purpose and the effect were to enable investors to invest more money in the securities he was selling, thereby putting the investors' pecuniary interests at risk" (ASC Decision, para. 42).

B. The Order of the Alberta Securities Commission

[16] The ASC imposed the following sanctions, conditions, restrictions or requirements (the "**ASC Order**"):

(a) Upon 2 Wongs:

i. under section 198(l)(a) of the ASA, all trading in or purchasing of 2 Wongs securities must cease permanently;

ii. under sections 198(l)(b) and (c) of the ASA, 2 Wongs must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to it permanently;

iii. under section 198(l)(e.2) of the ASA, 2 Wongs is prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently; and

iv. under section 198(l)(e.3) of the ASA, 2 Wongs is prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;

(b) Upon 779:

i. under section 198(l)(a) of the ASA, all trading in or purchasing of 779 securities must cease permanently;

ii. under sections 198(l)(b) and (c) of the ASA, 779 must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to it permanently;

iii. under section 198(l)(e.2) of the ASA, 779 is prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently; and

iv. under section 198(l)(e.3) of the ASA, 779 is prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;

(c) Upon Integrity Plus:

i. under section 198(l)(a) of the ASA, all trading in or purchasing of Integrity Plus securities must cease permanently;

ii. under sections 198(l)(b) and (c) of the ASA, Integrity Plus must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to it permanently;

iii. under section 198(l)(e.2) of the ASA, Integrity Plus is prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently; and

iv. under section 198(l)(e.3) of the ASA, Integrity Plus is prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;

(d) Upon Khom:

i. under section 198(l)(d) of the ASA, Khom must resign all positions he holds as a director or officer of any issuer;

ii. under section 199 of the ASA, Khom must pay an administrative penalty to the ASC of $35,000;

iii. until and including November 27, 2024:

1. under sections 198(l)(b) and (c) of the ASA, Khom must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, except that these orders do not preclude him from trading in or purchasing securities

through a registrant (who has first been given a copy of the ASC Order) in registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans (“RESPs”) or tax-free savings accounts (“TFSAs”), or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

2. under section 198(l)(e) of the ASA, Khom is prohibited from becoming or acting as a director or officer (or both) of any issuer;

3. under section 198(l)(e.l) of the ASA, Khom is prohibited from advising in securities;

4. under section 198(l)(e.2) of the ASA, Khom is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and

5. under section 198(l)(e.3) of the ASA, Khom is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

iv. under section 202 of the ASA, Khom must pay to the ASC, jointly and severally with Janeen, $7,500 of the costs of the ASC's investigation and hearing;

(e) Upon Janeen:

i. under section 198(l)(d) of the ASA, Janeen must resign all positions she holds as a director or officer of any issuer;

ii. under section 199 of the ASA, Janeen must pay an administrative penalty to the ASC of $15,000;

iii. until and including November 27, 2024:

1. under sections 198(l)(b) and (c) of the ASA, Janeen must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to her, except that these orders do not preclude her from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

2. under section 198(l)(e) of the ASA, Janeen is prohibited from becoming or acting as a director or officer (or both) of any issuer;

3. under section 198(l)(e.l) of the ASA, Janeen is prohibited from advising in securities;

4. under section 198(l)(e.2) of the ASA, Janeen is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and

5. under section 198(l)(e.3) of the ASA, Janeen is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

iv. under section 202 of the ASA, Janeen must pay to the ASC, jointly and severally with Khom, $7,500 of the costs of the ASC's investigation and hearing.

III. SUBMISSIONS OF THE PARTIES

A. Staff’s Submissions

[17] Staff submit that the following order should be issued in order to adequately protect the capital markets in Ontario. Staff submit that they seek to impose terms which mirror the sanctions imposed by the ASC, to the extent possible under the *Act*.

[18] Staff requests that the following sanctions be imposed on the Respondents:

(a) Against 2 Wongs that:

i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities of 2 Wongs cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by 2 Wongs cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by 2 Wongs be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities laws do not apply to 2 Wongs permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, 2 Wongs shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(b) Against 779 that:

i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities of 779 cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by 779 cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by 779 be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities laws do not apply to 779 permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, 779 shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(c) Against Integrity Plus that:

i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities of Integrity Plus cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Integrity Plus cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by Integrity Plus be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities laws do not apply to Integrity Plus permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Integrity Plus be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(d) Against Khom that:

i. pursuant to paragraph 1 of subsection 127(1), any registration granted to Khom under Ontario securities law be prohibited until November 27, 2024;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Khom cease until November 27, 2024, except that this order does not preclude him from trading in securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding, if granted) in registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs") or tax-

free savings accounts ("TFSAs"), or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by Khom cease until November 27, 2024, except that this order does not preclude him from purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding, if granted) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Khom until November 27, 2024, except that this order does not preclude him from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding, if granted) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

v. pursuant to paragraph 7 of subsection 127(1) of the *Act*, Khom resign any positions that he holds as director or officer of any issuer;

vi. pursuant to paragraph 8 of subsection 127(1) of the *Act*, Khom be prohibited until November 27, 2024 from becoming or acting as an officer or director of any issuer; and

vii. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Khom be prohibited until November 27, 2024 from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(e) Against Janeen that:

i. pursuant to paragraph 1 of subsection 127(1), any registration granted to Janeen under Ontario securities law be prohibited until November 27, 2024;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Janeen cease until November 27, 2024, except that this order does not preclude her from trading in securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding, if granted) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by Janeen cease until November 27, 2024, except that this order does not preclude her from purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding, if granted) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Janeen until November 27, 2024, except that this order does not preclude her from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding, if granted) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

v. pursuant to paragraph 7 of subsection 127(1) of the *Act*, Janeen resign any positions that she holds as director or officer of any issuer;

vi. pursuant to paragraph 8 of subsection 127(1) of the *Act*, Janeen be prohibited until November 27, 2024 from becoming or acting as an officer or director of any issuer; and

vii. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Janeen be prohibited until November 27, 2024 from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(f) to make such other order or orders as the Commission considers appropriate.

B. Respondents' Submissions

[19] The Respondents did not appear and did not make any submissions in this proceeding.

IV. ANALYSIS

A. Inter-jurisdictional Enforcement

[20] The relevant pre-conditions to be met for an inter-jurisdictional order are articulated in paragraph 4 of subsection 127(10) of the *Act*. An order may be made if:

> 4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[21] The Commission held in *Elliott (Re)* (2009), 23 O.S.C.B. 6931 ("***Elliott***") that subsection 127(10) "allows the Commission to consider any convictions or orders made against an individual in other jurisdictions, when deciding whether or not to make an order under subsection 127(1) or (5) in the public interest." (*Elliott* at para. 24)

[22] In *Euston Capital Corp. (Re)* (2009), 32 O.S.C.B. 6313 ("***Euston Capital***"), the Commission concluded that subsection 127(10) of the *Act* can be the grounds for an order in the public interest under subsection 127(1) of the *Act*:

> … we conclude that we can make an order against the Respondents pursuant to our public interest jurisdiction under section 127 of the *Act* on the basis of decisions and orders made in other jurisdictions, if we find it necessary in order to protect investors in Ontario and the integrity of Ontario's capital markets.
>
> (*Euston Capital*, *supra*, at para. 46.)

[23] Pursuant to the ASC Order, the Respondents are subject to sanctions, conditions, restrictions or requirements imposed by a regulatory authority within the meaning of paragraph 4 of subsection 127(10) of the *Act*. Accordingly, based on the ASC Order, the Commission may make one or more orders under subsection 127(1) of the *Act*, if in its opinion it is in the public interest to do so.

[24] While a panel may rely on the findings of the other jurisdiction, it must then satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario:

> The applicability of subsection 127(10) to the BCSC Order and the Settlement Agreement does not automatically lead to the conclusion that this Panel must make an order similar to that made by the BCSC against Elliott. Rather, we must first consider whether or not sanctions are necessary to protect the public interest, before exercising any powers granted to us under subsections 127(1) and (5), and second, if necessary, consider what the appropriate sanctions should be.
>
> (*Elliott*, *supra* at para. 27.)

[25] The ASC Panel made determinations of fact which the Commission may consider under section 127(10) of the *Act*. The Commission's task is then to determine whether, based on those findings of fact, the sanctions proposed by Staff would be in the public interest in Ontario. An important factor to consider is whether, if the facts had occurred in Ontario, the respondents' conduct would have constituted a breach of the *Act* and been considered contrary to the public interest, such that it would attract the same or similar sanctions. (*Re JV Raleigh Superior Holdings Inc.* (2013), 36 O.S.C.B. 4639) at para.16)

[26] The Commission has relied on the findings made in other jurisdictions, and has not required a nexus to Ontario, when considering imposing an inter-jurisdictional order (*Re Cho (c.o.b. Chosen Media and Groops Media)* (2014), 37 O.S.C.B. 7285; *Re Lough* (2014), 37 O.S.C.B. 10744; *Re Sundell* (2014), 37 O.S.C.B. 10755). However, while a nexus to Ontario is not a necessary pre-condition to the Commission's jurisdiction, it is a factor that may be considered by the Commission in determining whether to make such an order (*Euston*, *supra* at para. 42 citing *Biller (Re)* (2005), 28 O.S.C.B. 10131 at para. 32).

[27] Staff submit that they have no evidence to suggest that the Respondents were soliciting investors in Ontario. However, based on the findings of the ASC Panel, Staff submit that it is in the public interest to protect Ontario investors from the Respondents by preventing or limiting their participation in Ontario's capital markets.

B. The Commission's Discretion to Determine Sanctions

[28] I may make an order against the Respondents under section 127 of the *Act* based on the findings of the ASC Panel and the ASC Order if I find it necessary to protect investors in Ontario and the integrity of Ontario's capital markets.

[29] The ASC Order imposed significant sanctions on the Respondents. As previously indicated, Staff submit that the Commission should exercise its discretion to impose sanctions substantially similar to those imposed in the ASC Order to the extent possible under the *Act*.

C. Should an Order for Sanctions be imposed in Ontario?

[30] When exercising the public interest jurisdiction under section 127 of the *Act*, I must consider the purposes of the *Act*. Those purposes, set out in section 1.1 of the *Act*, 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 capital markets.

[31] In pursuing these purposes, I must have regard to the fundamental principles that animate the purposes of the *Act*. Section 2.1 of the *Act* provides that one of the primary means for achieving the purposes of the *Act* is to restrict fraudulent and unfair market practices and procedures. Another fundamental principle is that:

> [t]he integration of capital markets [be] supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.
>
> (*Act*, *supra* at subsection 2.1(5)).

[32] The principles that guide the Commission in exercising its public interest jurisdiction are reflected in *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* 2001 S.C.C. 37 ("***Asbestos***") where the Supreme Court of Canada considered the nature of section 127:

> [I]t is important to recognize that s. 127 is a regulatory provision. In this regard, I agree with Laskin J.A. that "[t]he purpose of the Commission's public interest jurisdiction is neither remedial nor punitive; it is protective and preventive …
>
> … [t]he purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets."
>
> (*Asbestos*, at paras. 42-43, citing *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600.)

[33] The threshold for determining whether it is in the public interest to reciprocate an order from another regulatory authority is a low threshold (*Re JV Raleigh Superior Holdings Inc.* (2013), 36 O.S.C.B. 4639 at para. 21). While the Commission must make its own determination of what is in the public interest, "it is important that the Commission be aware of and responsive to an increasingly complex and interconnected cross-border securities industry" (*Re New Futures Trading International Corp.* (2013), 36 O.S.C.B. 5713 at para. 23; *Re JV Raleigh Superior Holdings Inc.* (2013), 36 O.S.C.B. 4639 at para. 21).

[34] Staff submit, and I agree, that it is in the public interest to make a protective order in the present circumstances. The Respondents were found to have breached Alberta securities law and the conduct for which the Respondents were sanctioned would constitute contraventions of Ontario securities law.

[35] In light of the ASC Order, I find that it is necessary to order sanctions against the Respondents in the public interest to protect investors in Ontario and the integrity of Ontario's capital markets from future abusive conduct. I consider specific aspects of the ASC Order below. Moreover, I have the authority to make a public interest order under subsections 127(1) and 127(10) of the *Act*, based on the ASC Findings and the ASC Order.

D. The Appropriate Sanctions

[36] The Supreme Court of Canada has affirmed that the Commission may make an order under section 127 of the *Act* for the purposes of deterrence, stating that "it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative" (*Cartaway Resources Corp.*, 2004 SCC 26 ("***Cartaway***") at para. 60). The Supreme Court of Canada also held that "deterrence is prospective in orientation and aims at preventing future conduct" (*Cartaway*, *supra* at para. 52).

[37] The Commission has held that, in determining appropriate sanctions it is necessary to take into account circumstances that are relevant to the particular respondents. In determining the nature and duration of the appropriate sanctions in this case, I must consider all of the relevant facts and circumstances before me. Previous decisions of the Commission have identified a list of factors to be considered in sanctioning respondents. The factors I consider most relevant in this case are:

(c) the seriousness of the misconduct and the breaches of the ASA;

(d) the level of a respondent's activity in the marketplace;

(e) whether or not there has been a recognition of the seriousness of the improprieties

(f) any mitigating factors.

(*Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at 7746; *M.C.J.C. Holdings (Re)* (2002), 25 O.S.C.B. 1133 at p. 1134.)

Seriousness of the Misconduct

[38] The ASC Panel found that each of the Respondents acted as a dealer without being registered and engaged in illegal distribution of securities. The ASC Panel also found that Khom acted as an adviser without being registered, made misrepresentations to investors and perpetrated a fraud. As a result, the 2 Wongs Issuers have been banned from participation in the capital markets permanently, and Khom and Janeen, the individual respondents, have been banned for a period of 10 years.

[39] In Ontario, as in Alberta, individuals are required to register in order to ensure that they meet the level of integrity, solvency and proficiency required to maintain the trust of the investing public in the capital markets. Engaging in unregistered trading and advising, illegal distribution of securities, making misrepresentations to investors and perpetrating fraud is all serious misconduct.

Level of Respondents' Activity in the Marketplace

[40] The Respondents raised approximately 4,970,000 from approximately 46 investors. The Respondents' activities persisted for more than three years.

Whether or not there has been a Recognition of the Seriousness of the Improprieties

[41] The Respondents submitted a statement to the ASC Panel admitting their alleged breaches of the ASA. In my view, by submitting a statement of admissions, the Respondents have demonstrated a recognition of the seriousness of the allegations. The ASC Panel also found that Khom and Janeen "recognize the seriousness of, and accept responsibility for, their misconduct and that of the 2 Wongs Issuers" (para.50).

Mitigating Factors

[42] The ASC Panel identified a number of factors that mitigated the severity of sanctions against the Respondents. The ASC Panel held that "we accept that Khom and Janeen are genuinely contrite. This is mitigating, and warrants recognition in our sanctions decision" (para. 56). The ASC Panel noted that Khom and Janeen cooperated with Staff of the ASC, that they signed the statement of admissions, did not challenge statements from investors, and that the Respondents, with Staff of the ASC, jointly recommended bans on access to the market. Further, the ASC Panel noted that there was no prior history of capital markets disciplinary sanctions against the Respondents. I find that these factors mitigate the severity of any sanctions to be imposed in Ontario.

V. CONCLUSION

[43] Accordingly, I find it is in the public interest to issue the following orders upon the Respondents:

(a) Against 2 Wongs that:

i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities of 2 Wongs cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by 2 Wongs cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by 2 Wongs be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities laws do not apply to 2 Wongs permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, 2 Wongs shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(b) Against 779 that:

i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities of 779 cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by 779 cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by 779 be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities laws do not apply to 779 permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, 779 shall be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(c) Against Integrity Plus that:

i. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities of Integrity Plus cease permanently;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities by Integrity Plus cease permanently;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities by Integrity Plus be prohibited permanently;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities laws do not apply to Integrity Plus permanently; and

v. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Integrity Plus be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(d) Against Khom that:

i. pursuant to paragraph 1 of subsection 127(1), Khom shall be prohibited under Ontario securities law from being registered in any category from which he is prohibited by the ASC Order until November 27, 2024;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities in Ontario by Khom cease until November 27, 2024, except that this order does not preclude him from trading in

securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs") or tax-free savings accounts ("TFSAs"), or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities in Ontario by Khom cease until November 27, 2024, except that this order does not preclude him from purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Khom until November 27, 2024, except that this order does not preclude him from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

v. pursuant to paragraph 7 of subsection 127(1) of the *Act*, Khom resign any positions that he holds as director or officer of any issuer;

vi. pursuant to paragraph 8 of subsection 127(1) of the *Act*, Khom be prohibited until November 27, 2024 from becoming or acting as an officer or director of any issuer; and

vii. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Khom be prohibited until November 27, 2024 from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(e) Against Janeen that:

i. pursuant to paragraph 1 of subsection 127(1), Janeen shall be prohibited under Ontario securities law from being registered in any category from which she is prohibited by the ASC Order until November 27, 2024;

ii. pursuant to paragraph 2 of subsection 127(1) of the *Act*, trading in any securities in Ontario by Janeen cease until November 27, 2024, except that this order does not preclude her from trading in securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

iii. pursuant to paragraph 2.1 of subsection 127(1) of the *Act*, acquisition of any securities in Ontario by Janeen cease until November 27, 2024, except that this order does not preclude her from purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

iv. pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to Janeen until November 27, 2024, except that this order does not preclude her from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order and a copy of the Order of the Commission in this proceeding) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;

v. pursuant to paragraph 7 of subsection 127(1) of the *Act*, Janeen resign any positions that she holds as director or officer of any issuer;

vi. pursuant to paragraph 8 of subsection 127(1) of the *Act*, Janeen be prohibited until November 27, 2024 from becoming or acting as an officer or director of any issuer; and

vii. pursuant to paragraph 8.5 of subsection 127(1) of the *Act*, Janeen be prohibited until November 27, 2024 from becoming or acting as a registrant, as an investment fund manager or as a promoter.

Dated at Toronto this 30th day of November, 2015.

"Mary Condon"

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
Parallel Energy Trust	25 November 2015	7 December 2015		

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
BitRush Corp.	13 November 2015	25 November 2015	25 November 2015		
Pacific Coal Resources Ltd.	01 December 2015	14 December 2015			

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
BitRush Corp.	13 November 2015	25 November 2015	25 November 2015		
Boyuan Construction Group, Inc.	02 October 2015	14 October 2015	14 October 2015		
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015		
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015		
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		
Nobilis Health Corp.	23 November 2015	4 December 2015			
Pacific Coal Resources Ltd.	01 December 2015	14 December 2015			

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Chapter 5

Rules and Policies

5.1.1 Amendments to NI 45-106 Prospectus Exemptions

AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS EXEMPTIONS*

1. National Instrument 45-106 Prospectus Exemptions is amended by this Instrument.

2. Section 2.1 is replaced with the following:

Rights offering – reporting issuer

> **Refer to Appendix E of National Instrument 45-102 *Resale of Securities.* First trades are subject to a seasoning period on resale.**

2.1 (1) In this section and sections 2.1.1, 2.1.2, 2.1.3 and 2.1.4,

"additional subscription privilege" means a privilege, granted to a holder of a right, to subscribe for a security not subscribed for by any holder under a basic subscription privilege;

"basic subscription privilege" means a privilege to subscribe for the number or amount of securities set out in a rights certificate held by the holder of the rights certificate;

"closing date" means the date of completion of the distribution of the securities issued upon exercise of the rights issued under this section;

"listing representation" means a representation that a security will be listed or quoted, or that an application has been or will be made to list or quote the security, either on an exchange or on a quotation and trade reporting system, in a foreign jurisdiction;

"listing representation prohibition" means the provisions of securities legislation set out in Appendix C;

"managing dealer" means a person that has entered into an agreement with an issuer under which the person has agreed to organize and participate in the solicitation of the exercise of the rights issued by the issuer;

"market price" means, for securities of a class for which there is a published market,

(a) except as provided in paragraph (b),

(i) if the published market provides a closing price, the simple average of the closing price of securities of that class on the published market for each of the trading days on which there was a closing price falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

(ii) if the published market does not provide a closing price, but provides only the highest and lowest prices of securities of the class traded, the average of the simple averages of the highest and lowest prices of securities of the class on the published market for each of the trading days on which there were highest and lowest prices falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

(b) if trading of securities of the class on the published market has occurred on fewer than 10 of the immediately preceding 20 trading days, the average of the following amounts established for each of the 20 trading days immediately before the day as of which the market price is being determined:

(i) the average of the closing bid and closing ask prices for each day on which there was no trading;

(ii) if the published market

(A) provides a closing price of securities of the class for each day that there was trading, the closing price, or

(B) provides only the highest and lowest prices, the average of the highest and lowest prices of securities of that class for each day that there was trading;

"published market" means, for a class of securities, a marketplace on which the securities are traded, if the prices at which they have been traded on that marketplace are regularly

(a) disseminated electronically, or

(b) published in a newspaper or business or financial publication of general and regular paid circulation;

"rights offering circular" means a completed Form 45-106F15 *Rights Offering Circular for Reporting Issuers*;

"rights offering notice" means a completed Form 45-106F14 *Rights Offering Notice for Reporting Issuers*;

"secondary market liability provisions" means the provisions of securities legislation set out in Appendix D opposite the name of the local jurisdiction;

"soliciting dealer" means a person whose interest in a distribution of rights is limited to soliciting the exercise of the rights by holders of those rights;

"stand-by commitment" means an agreement by a person to acquire the securities of an issuer not subscribed for under the basic subscription privilege or the additional subscription privilege;

"stand-by guarantor" means a person who agrees to provide the stand-by commitment.

(2) For the purpose of the definition of "market price", if there is more than one published market for a security and

(a) only one of the published markets is in Canada, the market price is determined solely by reference to that market,

(b) more than one of the published markets is in Canada, the market price is determined solely by reference to the published market in Canada on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined, and

(c) none of the published markets are in Canada, the market price is determined solely by reference to the published market on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined.

(3) The prospectus requirement does not apply to a distribution by an issuer, of a right to purchase a security of the issuer's own issue, to a security holder of the issuer if all of the following apply:

(a) the issuer is a reporting issuer in at least one jurisdiction of Canada;

(b) if the issuer is a reporting issuer in the local jurisdiction, the issuer has filed all periodic and timely disclosure documents that it is required to have filed in that jurisdiction as required by each of the following:

(i) applicable securities legislation;

(ii) an order issued by the regulator or, in Québec, the securities regulatory authority;

(iii) an undertaking to the regulator or, in Québec, the securities regulatory authority;

(c) before the commencement of the exercise period for the rights, the issuer files and sends the rights offering notice to all security holders, resident in Canada, of the class of securities to be issued upon exercise of the rights;

(d) concurrently with filing the rights offering notice, the issuer files a rights offering circular;

(e) the basic subscription privilege is available on a pro rata basis to the security holders, resident in Canada, of the class of securities to be distributed upon the exercise of the rights;

(f) in Québec, the documents filed under paragraphs (c) and (d) are prepared in French or in French and English;

(g) the subscription price for a security to be issued upon the exercise of a right is:

(i) if there is a published market for the security, lower than the market price of the security on the day the rights offering notice is filed, or

(ii) if there is no published market for the security, lower than the fair value of the security on the day the rights offering notice is filed unless the issuer restricts all of its insiders from increasing their proportionate interest in the issuer through the exercise of the rights distributed or through a stand-by commitment;

(h) if the distribution includes an additional subscription privilege, all of the following apply:

(i) the issuer grants the additional subscription privilege to all holders of the rights;

(ii) each holder of a right is entitled to receive, upon the exercise of the additional subscription privilege, the number or amount of securities equal to the lesser of

(A) the number or amount of securities subscribed for by the holder under the additional subscription privilege, and

(B) the number or amount calculated in accordance with the following formula:

$x(y/z)$ where

x = the aggregate number or amount of securities available through unexercised rights after giving effect to the basic subscription privilege;

y = the number of rights exercised by the holder under the basic subscription privilege;

z = the aggregate number of rights exercised under the basic subscription privilege by holders of the rights that have subscribed for securities under the additional subscription privilege;

(iii) all unexercised rights have been allocated on a pro rata basis to holders who subscribed for additional securities under the additional subscription privilege;

(iv) the subscription price for the additional subscription privilege is the same as the subscription price for the basic subscription privilege;

(i) if the issuer enters into a stand-by commitment, all of the following apply:

(i) the issuer has granted an additional subscription privilege to all holders of the rights;

(ii) the issuer has included a statement in the rights offering circular that the issuer has confirmed that the stand-by guarantor has the financial ability to carry out its stand-by commitment;

(iii) the subscription price under the stand-by commitment is the same as the subscription price under the basic subscription privilege;

(j) if the issuer has stated in its rights offering circular that no security will be issued upon the exercise of a right unless a stand-by commitment is provided, or unless proceeds of no less than the stated minimum amount are received by the issuer, all of the following apply:

(i) the issuer has appointed a depository to hold all money received upon the exercise of the rights until either the stand-by commitment is provided or the stated minimum amount is received and the depository is one of the following:

(A) a Canadian financial institution;

(B) a registrant in the jurisdiction in which the funds are proposed to be held that is acting as managing dealer for the distribution of the rights or, if there is no managing dealer for the distribution of the rights, that is acting as a soliciting dealer;

(ii) the issuer and the depository have entered into an agreement, the terms of which require the depository to return the money referred to in subparagraph (i) in full to the holders of rights that have subscribed for securities under the distribution of the rights if the stand-by commitment is not provided or if the stated minimum amount is not received by the depository during the exercise period for the rights;

(k) the rights offering circular contains the following statement:

"There is no material fact or material change about [name of issuer] that has not been generally disclosed".

(4) An issuer must not file an amendment to a rights offering circular filed under paragraph (3)(d) unless

(a) the amendment amends and restates the rights offering circular,

(b) the issuer files the amended rights offering circular before the earlier of

(i) the listing date of the rights, if the issuer lists the rights for trading, and

(ii) the date the exercise period for the rights commences, and

(c) the issuer issues and files a news release explaining the reason for the amendment concurrently with the filing of the amended rights offering circular.

(5) On the closing date or as soon as practicable following the closing date, the issuer must issue and file a news release containing all of the following information:

(a) the aggregate gross proceeds of the distribution;

(b) the number or amount of securities distributed under the basic subscription privilege to

(i) all persons who were insiders before the distribution or became insiders as a result of the distribution, as a group, to the knowledge of the issuer after reasonable inquiry, and

(ii) all other persons, as a group;

(c) the number or amount of securities distributed under the additional subscription privilege to

(i) all persons who were insiders before the distribution or became insiders as a result of the distribution, as a group, to the knowledge of the issuer after reasonable inquiry, and

(ii) all other persons, as a group;

(d) the number or amount of securities distributed under any stand-by commitment;

(e) the number or amount of securities of the class issued and outstanding as of the closing date;

(f) the amount of any fees or commissions paid in connection with the distribution.

(6) Subsection (3) does not apply to a distribution of rights if any of the following apply:

(a) there would be an increase of more than 100% in the number, or, in the case of debt, the principal amount, of the outstanding securities of the class to be issued upon the exercise of the rights, assuming the exercise of all rights issued under a distribution of rights by the issuer during the 12 months immediately before the date of the rights offering circular;

(b) the exercise period for the rights is less than 21 days, or more than 90 days, and commences after the day the rights offering notice is sent to security holders;

(c) the issuer has entered into an agreement that provides for the payment of a fee to a person for soliciting the exercise of rights by holders of rights that were not security holders of the issuer immediately before the distribution under subsection (3) and that fee is higher than the fee payable for soliciting the exercise of rights by holders of rights that were security holders at that time.

3. The Instrument is amended by adding the following sections:

Rights offering – stand-by commitment

Refer to Appendix E of National Instrument 45-102 *Resale of Securities.* First trades are subject to a seasoning period on resale.

2.1.1 The prospectus requirement does not apply to the distribution of a security by an issuer to a stand-by guarantor as part of a distribution under section 2.1 if the stand-by guarantor acquires the security as principal.

Rights offering – issuer with a minimal connection to Canada

Refer to Appendix E of National Instrument 45-102 *Resale of Securities.* First trades are subject to a seasoning period on resale.

2.1.2(1) The prospectus requirement does not apply to a distribution by an issuer, of a right to purchase a security of the issuer's own issue, to a security holder of the issuer if all of the following apply:

(a) to the knowledge of the issuer after reasonable inquiry,

(i) the number of beneficial holders of the class for which the rights are issued that are resident in Canada does not constitute 10% or more of all holders of that class, and

(ii) the number or amount of securities of the issuer of the class for which the rights are issued that are beneficially held by security holders that are resident in Canada does not constitute, in the aggregate, 10% or more of the outstanding securities of that class;

(b) all materials sent to any other security holders for the distribution of the rights are concurrently filed and sent to each security holder of the issuer that is resident in Canada;

(c) the issuer files a written notice that it is relying on this exemption and a certificate that states that, to the knowledge of the person signing the certificate after reasonable inquiry,

(i) the number of beneficial holders of the class for which the rights are issued that are resident in Canada does not constitute 10% or more of all holders of that class, and

(ii) the number or amount of securities of the issuer of the class for which the rights are issued that are beneficially held by security holders that are resident in Canada does not constitute, in the aggregate, 10% or more of the outstanding securities of that class.

(2) For the purposes of paragraph (1)(c), a certificate of an issuer must be signed,

(a) if the issuer is a limited partnership, by an officer or director of the general partner of the issuer,

(b) if the issuer is a trust, by a trustee or officer or director of a trustee of the issuer, or

(c) in any other case, by an officer or director of the issuer.

Rights offering – listing representation exemption

2.1.3 The listing representation prohibition does not apply to a listing representation made in a rights offering circular for a distribution of rights conducted under section 2.1.2 if the listing representation is not a misrepresentation.

Rights offering – civil liability for secondary market disclosure

2.1.4 (1) The secondary market liability provisions apply to

(a) the acquisition of an issuer's security pursuant to the exemption from the prospectus requirement set out in section 2.1, and

(b) the acquisition of an issuer's security pursuant to the exemption from the prospectus requirement set out in section 2.42 if the security previously issued by the issuer was acquired pursuant to the exemption set out in section 2.1.

(2) For greater certainty, in British Columbia, the classes of acquisitions referred to in subsection (1) are prescribed classes of acquisitions under paragraph 140.2(b) of the *Securities Act* (British Columbia).*.*

4. The Instrument is amended by adding the following appendices:

Appendix C
to
National Instrument 45-106 *Prospectus Exemptions*
Listing Representation Prohibitions

JURISDICTION	**SECURITIES LEGISLATION REFERENCE**
ALBERTA	Subsection 92(3) of the *Securities Act* (Alberta)
MANITOBA	Subsection 69(3) of *The Securities Act* (Manitoba)
NEW BRUNSWICK	Subsection 58(3) of the *Securities Act* (New Brunswick)
NEWFOUNDLAND AND LABRADOR	Subsection 39(3) of the *Securities Act* (Newfoundland and Labrador)
NORTHWEST TERRITORIES	Subsection 147(1) of the *Securities Act* (Northwest Territories)
NOVA SCOTIA	Subsection 44(3) of the *Securities Act* (Nova Scotia)
NUNAVUT	Subsection 147(1) of the *Securities Act* (Nunavut)
ONTARIO	Subsection 38(3) of the *Securities Act* (Ontario)
PRINCE EDWARD ISLAND	Subsection 147(1) of the *Securities Act* (Prince Edward Island)
QUÉBEC	Subsection 199(4) of the *Securities Act* (Québec)
SASKATCHEWAN	Subsection 44(3) of *The Securities Act, 1988* (Saskatchewan)
YUKON	Subsection 147(1) of the *Securities Act* (Yukon)**.**

Appendix D
to
National Instrument 45-106 *Prospectus Exemptions*
Secondary Market Liability Provisions

JURISDICTION	SECURITIES LEGISLATION REFERENCE
ALBERTA	Part 17.01 of the *Securities Act* (Alberta)
BRITISH COLUMBIA	Part 16.1 of the *Securities Act* (British Columbia)
MANITOBA	Part XVIII of *The Securities Act* (Manitoba)
NEW BRUNSWICK	Part 11.1 of the *Securities Act* (New Brunswick)
NEWFOUNDLAND AND LABRADOR	Part XXII.1 of the *Securities Act (*Newfoundland and Labrador*)*
NORTHWEST TERRITORIES	Part 14 of the *Securities Act* (Northwest Territories)
NOVA SCOTIA	Sections 146A to 146N of the *Securities Act* (Nova Scotia)
NUNAVUT	Part 14 of the *Securities Act* (Nunavut)
ONTARIO	Part XXIII.1 of the *Securities Act* (Ontario)
PRINCE EDWARD ISLAND	Part 14 of the *Securities Act* (Prince Edward Island)
QUÉBEC	Division II of Chapter II of Title VIII of the *Securities Act* (Québec)
SASKATCHEWAN	Part XVIII.1 of *The Securities Act, 1988* (Saskatchewan)
YUKON	Part 14 of the *Securities Act* (Yukon)*.*

5. The Instrument is amended by adding the following forms:

Form 45-106F14
Rights Offering Notice for Reporting Issuers

This is the form of notice you must use for a distribution of rights under section 2.1 of National Instrument 45-106 *Prospectus Exemptions*. In this form, a distribution of rights is sometimes referred to as a "rights offering".

PART 1 GENERAL INSTRUCTIONS

Deliver this rights offering notice to each security holder eligible to receive rights under the rights offering. Using plain language, prepare the rights offering notice using a question-and-answer format.

> *Guidance*
>
> We do not expect the rights offering notice to be longer than two pages in length.

PART 2 THE RIGHTS OFFERING NOTICE

1. Basic information

State the following with the bracketed information completed:

"[Name of issuer]
Notice to security holders – [Date]"

If you have less than 12 months of working capital and are aware of material uncertainties that may cast significant doubt upon your ability to continue as a going concern, include the following language in bold immediately below the date of the rights offering notice:

> "**We currently have sufficient working capital to last [insert the number of months of working capital as at the date of the rights offering circular] months. We require [insert the percentage of the rights offering required to be taken up]% of the offering to last 12 months."**

2. Who can participate in the rights offering?

State the record date and identify which class of securities is subject to the offering.

3. Who is eligible to receive rights?

List the jurisdictions in which the issuer is offering rights.

Explain how a security holder in a foreign jurisdiction can acquire the rights and the securities issuable upon the exercise of the rights.

4. How many rights are we offering?

State the total number of rights offered.

5. How many rights will you receive?

State the number of rights a security holder on the record date will receive for every security held as of the record date.

6. What does one right entitle you to receive?

State the number of rights required to acquire a security upon the exercise of the rights. Also state the subscription price.

7. How will you receive your rights?

Include a rights certificate with the rights offering notice if the rights offering notice is being delivered to a registered security holder and direct the security holder's attention to this certificate.

If you are delivering the rights offering notice to a security holder in a foreign jurisdiction, provide instructions on how that security holder can receive its rights certificate.

8. When and how can you exercise your rights?

State when the exercise period ends for security holders who have their rights certificate.

Also, provide instructions on how to exercise the rights to security holders whose securities are held in a brokerage account.

9. What are the next steps?

Include the following statement, using wording substantially similar to the following:

> "**This document contains key information you should know about [insert name of issuer]. You can find more details in the issuer's rights offering circular. To obtain a copy, visit [insert name of issuer]'s profile on the SEDAR website, visit [insert the website of the issuer], ask your dealer representative for a copy or contact [insert name of contact person of the issuer] at [insert the phone number or email of the contact person of the issuer]. You should read the rights offering circular, along with [insert name of issuer]'s continuous disclosure record, to make an informed decision."**

10. Signature

Sign the rights offering notice. State the name and title of the person signing the rights offering notice.

Form 45-106F15
Rights Offering Circular for Reporting Issuers
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PART 1 INSTRUCTIONS

1. Overview of the rights offering circular

This is the form of circular you must use for a distribution of rights under section 2.1 of National Instrument 45-106 *Prospectus Exemptions*. In this form, a distribution of rights is sometimes referred to as a “rights offering”.

The objective of the rights offering circular is to provide information about the rights offering and details on how an existing security holder can exercise the rights.

Prepare the rights offering circular using a question-and-answer format.

> *Guidance*
>
> We do not expect the rights offering circular to be longer than 10 pages.

2. Incorporating information by reference

You must not incorporate information into the rights offering circular by reference.

3. Plain language

Use plain, easy to understand language in preparing the rights offering circular. Avoid technical terms but if they are necessary, explain them in a clear and concise manner.

4. Format

Except as otherwise stated, use the questions presented in this form as headings in the rights offering circular. To make the rights offering circular easier to understand, present information in tables.

5. Omitting information

Unless this form indicates otherwise, you are not required to complete an item in this form if it does not apply.

6. Date of information

Unless this form indicates otherwise, present the information in this form as of the date of the rights offering circular.

7. Forward-looking information

If you disclose forward-looking information in the rights offering circular, you must comply with Part 4A.3 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 2 SUMMARY OF OFFERING

8. Required statement

State in italics, at the top of the cover page, the following:

> *“This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.*
>
> *This is the circular we referred to in the* [insert date of the rights offering notice] *rights offering notice, which you should have already received. Your rights certificate and relevant forms were enclosed with the rights offering notice. This circular should be read in conjunction with the rights offering notice and our continuous disclosure prior to making an investment decision.”*

Guidance

We remind issuers and their executives that they are liable under secondary market liability provisions for the disclosure in this rights offering circular.

9. Basic disclosure about the distribution

Immediately below the statement referred to in item 8, state the following with the bracketed information completed:

"Rights offering circular [Date]

[Name of Issuer]"

If you have less than 12 months of working capital and are aware of material uncertainties that may cast significant doubt upon your ability to continue as a going concern, state the following in bold immediately below the name of the issuer:

> "**We currently have sufficient working capital to last [insert the number of months of working capital as at the date of the rights offering circular] months. We require [insert the percentage of the rights offering required to be taken up]% of the offering to last 12 months."**

10. Purpose of the rights offering circular

State the following in bold:

> **"Why are you reading this circular?"**

Explain the purpose of the rights offering circular. State that the rights offering circular provides details about the rights offering and refer to the rights offering notice that you sent to security holders.

11. Securities offered

State the following in bold:

> **"What is being offered?"**

Provide the number of rights you are offering to each security holder under the rights offering. If your outstanding share capital includes more than one class or type of security, identify which security holders are eligible to receive rights. Include the record date the issuer will use to determine which security holders are eligible to receive rights.

12. Right entitlement

State the following in bold:

> **"What do[es] [insert number of rights] right[s] entitle you to receive?"**

Explain what the security holder will receive upon the exercise of the rights. Also include the number of rights needed to acquire the underlying security.

13. Subscription price

State the following in bold:

"What is the subscription price?"

Provide the price a security holder must pay to exercise the rights. If there is no published market for the securities, either explain how you determined the fair value of the securities or explain that no insider will be able to increase their proportionate interest through the rights offering.

Guidance

Refer to paragraph 2.1(3)(g) of NI 45-106 which provides that the subscription price must be lower than the market price if there is a published market for the securities. If there is no published market, either the subscription price must be lower than the fair value of the securities or insiders are not permitted to increase their proportionate interest in the issuer through the rights offering.

14. Expiry of offer

State the following in bold:

"When does the offer expire?"

Provide the date and time that the offer expires.

Guidance

Refer to paragraph 2.1(6)(b) of NI 45-106 which provides that the prospectus exemption is not available where the exercise period for the rights is less than 21 days or more than 90 days after the day the rights offering notice is sent to security holders.

15. Description of the securities

State the following in bold:

"What are the significant attributes of the rights issued under the rights offering and the securities to be issued upon the exercise of the rights?"

Describe the significant attributes of the rights and securities to be issued upon exercise of the rights. Include in the description the number of outstanding securities of the class of securities issuable upon exercise of the rights, as of the date of the rights offering circular.

16. Securities issuable under the rights offering

State the following in bold:

"What are the minimum and maximum number or amount of [insert type of security issuable upon the exercise of the rights] that may be issued under the rights offering?"

Provide the minimum, if any, and maximum number or amount of securities that may be issuable upon the exercise of the rights.

17. Listing of securities

State the following in bold:

"Where will the rights and the securities issuable upon the exercise of the rights be listed for trading?"

Identify the exchange(s) and quotation system(s), if any, on which the rights and underlying securities are listed, traded or quoted. If no market exists, or is expected to exist, state the following in bold:

"There is no market through which these [rights and/or underlying securities] may be sold."

PART 3 USE OF AVAILABLE FUNDS

18. Available funds

State the following in bold:

"What will our available funds be upon the closing of the rights offering?"

Using the following table, disclose the available funds after the rights offering. If you plan to combine additional sources of funding with the offering proceeds to achieve your principal capital-raising purpose, provide details about each additional source of funding.

If there is no minimum offering or stand-by commitment, or if the minimum offering or stand-by commitment represents less than 75% of the rights offering, include threshold disclosure if only 15%, 50% or 75% of the entire offering is taken up.

Disclose the amount of working capital deficiency, if any, of the issuer as of the most recent month end. If the available funds will not eliminate the working capital deficiency, state how you intend to eliminate or manage the deficiency. If there has been a significant change in the working capital since the most recently audited annual financial statements, explain those changes.

Guidance

We would consider a significant change to include a change in the working capital that results in material uncertainty regarding the issuer's going concern assumption, or a change in the working capital balance from positive to deficiency or vice versa.

		Assuming minimum offering or stand-by commitment only	Assuming 15% of offering	Assuming 50% of offering	Assuming 75% of offering	Assuming 100% of offering
A	Amount to be raised by this offering	$	$	$	$	$
B	Selling commissions and fees	$	$	$	$	$
C	Estimated offering costs (e.g., legal, accounting, audit)	$	$	$	$	$
D	Available funds: D = A - (B+C)	$	$	$	$	$
E	Additional sources of funding required	$	$	$	$	$
F	Working capital deficiency	$	$	$	$	$
G	Total: G = (D+E) - F	$	$	$	$	$

19. Use of available funds

State the following in bold:

"How will we use the available funds?"

Using the following table, provide a detailed breakdown of how you will use the available funds. Describe in reasonable detail each of the principal purposes, with approximate amounts.

Description of intended use of available funds listed in order of priority.	Assuming minimum offering or stand-by commitment only	Assuming 15% of offering	Assuming 50% of offering	Assuming 75% of offering	Assuming 100% of offering
	$	$	$	$	$
	$	$	$	$	$
Total: Equal to G in the available funds in item 18	$	$	$	$	$

If there is no minimum offering or stand-by commitment, or if the minimum offering or stand-by commitment represents less than 75% of the rights offering, include threshold disclosure if only 15%, 50% or 75% of the entire offering is taken up.

Instructions:

1. *If the issuer has significant short-term liquidity requirements, discuss, for each threshold amount (i.e., 15%, 50% and 75%), the impact, if any, of raising that amount on its liquidity, operations, capital resources and solvency. Short-term liquidity requirements include non-discretionary expenditures for general corporate purposes and overhead expenses, significant short-term capital or contractual commitments, and expenditures required to achieve stated business objectives.*

   When discussing the impact of raising each threshold amount on your liquidity, operations, capital resources and solvency, include all of the following in the discussion:

   - *which expenditures will take priority at each threshold, and what effect this allocation would have on your operations and business objectives and milestones;*

   - *the risks of defaulting on payments as they become due, and what effect the defaults would have on your operations;*

   - *an analysis of your ability to generate sufficient amounts of cash and cash equivalents from other sources, the circumstances that could affect those sources and management's assumptions in conducting this analysis.*

   State the minimum amount required to meet the short-term liquidity requirements. In the event that the available funds could be less than the amount required to meet the short-term liquidity requirements, describe how management plans to discharge its liabilities as they become due. Include the assumptions management used in its plans.

   If the available funds could be insufficient to cover the issuer's short-term liquidity requirements and overhead expenses for the next 12 months, include management's assessment of the issuer's ability to continue as a going concern. If there are material uncertainties that cast significant doubt upon the issuer's ability to continue as a going concern, state this fact in bold.

2. *If you will use more than 10% of available funds to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the indebtedness was used. If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and disclose the outstanding amount owed.*

3. *If you will use more than 10% of available funds to acquire assets, describe the assets. If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets. If the vendor of the asset is an insider, associate or affiliate of the issuer, identify the vendor and nature of the relationship to the issuer, and disclose the method used to determine the purchase price.*

4. *If any of the available funds will be paid to an insider, associate or affiliate of the issuer, disclose in a note to the use of available funds table in item 19 the name of the insider, associate or affiliate, the relationship to the issuer, and the amount to be paid.*

5. *If you will use more than 10% of available funds for research and development of products or services,*

   (a) describe the timing and stage of research and development that management anticipates will be reached using the funds,

   (b) describe the major components of the proposed programs you will use the available funds for, including an estimate of anticipated costs,

   (c) state if you are conducting your own research and development, are subcontracting out the research and development or are using a combination of those methods, and

   (d) describe the additional steps required to reach commercial production and an estimate of costs and timing.

6. *If you may reallocate available funds, include the following statement:*

"We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons."

20. How long will the available funds last?

State the following in bold:

"How long will the available funds last?"

Explain how long management anticipates the available funds will last. If you do not have adequate funds to cover anticipated expenses for the next 12 months, state the sources of financing that the issuer has arranged but not yet used. Also, provide an analysis of the issuer's ability to generate sufficient amounts of cash and cash equivalents in the short term and the long term to maintain capacity, and to meet planned growth or to fund development activities. You should describe sources of funding and circumstances that could affect those sources that are reasonably likely to occur. If this results in material uncertainties that cast significant doubt upon the issuer's ability to continue as a going concern, disclose this fact.

If you expect the available funds to last for more than 12 months, state this expectation.

PART 4 INSIDER PARTICIPATION

21. Intention of insiders

State the following in bold:

"Will insiders be participating?"

Provide the answer. If "yes", provide details of insiders' intentions to exercise their rights, to the extent known to the issuer after reasonable inquiry.

22. Holders of at least 10% before and after the rights offering

State the following in bold:

"Who are the holders of 10% or more of our securities before and after the rights offering?"

Provide this information in the following tabular form, to the extent known to the issuer after reasonable inquiry:

Name	**Holdings before the offering**	**Holdings after the offering**
[Name of security holder]	[State the number or amount of securities held and the percentage of security holdings this represents]	[State the number or amount of securities held and the percentage of security holdings this represents]

PART 5 DILUTION

23. Dilution

State the following in bold:

"If you do not exercise your rights, by how much will your security holdings be diluted?"

Provide a percentage in the rights offering circular and state the assumptions used, as appropriate.

PART 6 STAND-BY COMMITMENT

24. Stand-by guarantor

State the following in bold:

"Who is the stand-by guarantor and what are the fees?"

Explain the nature of the issuer's relationship with the stand-by guarantor including whether, and the basis on which, if applicable, the stand-by guarantor is a related party of the issuer. Describe the stand-by commitment and the material terms of the basis on which the stand-by guarantor may terminate the obligation under the stand-by commitment.

Instructions:

In determining if a stand-by guarantor is a related party, you should refer to the issuer's GAAP which has the same meaning as in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards.

25. Financial ability of the stand-by guarantor

State the following in bold:

> **"Have we confirmed that the stand-by guarantor has the financial ability to carry out its stand-by commitment?"**

If the offering has a stand-by commitment, state that you have confirmed that the stand-by guarantor has the financial ability to carry out its stand-by commitment.

26. Security holdings of the stand-by guarantor

State the following in bold:

> **"What are the security holdings of the stand-by guarantor before and after the rights offering?"**

Provide this information in the following tabular form, to the extent known to the issuer after reasonable inquiry:

Name	**Holdings before the offering**	**Holdings after the offering if the stand-by guarantor takes up the entire stand-by commitment**
[Name of stand-by guarantor]	[State the number or amount of securities held and the percentage of security holdings this represents]	[State the number or amount of securities held and the percentage of security holdings this represents]

PART 7 MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

27. The managing dealer, the soliciting dealer and their fees

State the following in bold:

> **"Who is the [managing dealer/soliciting dealer] and what are its fees?"**

Identify the managing dealer, if any, and the soliciting dealer, if any, and describe the commissions or fees payable to them.

28. Managing dealer/soliciting dealer conflicts

State the following in bold:

> **"Does the [managing dealer/soliciting dealer] have a conflict of interest?"**

If disclosure is required by National Instrument 33-105 *Underwriting Conflicts*, include that disclosure.

PART 8 HOW TO EXERCISE THE RIGHTS

29. Security holders who are registered holders

State the following in bold:

> **"How does a security holder that is a registered holder participate in the rights offering?"**

Explain how a registered holder can participate in the rights offering.

30. Security holders who are not registered holders

State the following in bold:

"How does a security holder that is not a registered holder participate in the rights offering?"

Explain how a security holder who is not a registered holder can participate in the rights offering.

31. Eligibility to participate

State the following in bold:

"Who is eligible to receive rights?"

List the jurisdictions in which you are making the rights offering.

Explain how a security holder in a foreign jurisdiction can acquire the rights and securities issuable upon the exercise of the rights.

32. Additional subscription privilege

State the following in bold:

"What is the additional subscription privilege and how can you exercise this privilege?"

Describe the additional subscription privilege and explain how a holder of rights who has exercised the basic subscription privilege can exercise the additional subscription privilege.

33. Transfer of rights

State the following in bold:

"How does a rights holder sell or transfer rights?"

Explain how a holder of rights can sell or transfer rights. If the rights will be listed on an exchange, provide further details related to the trading of the rights on the exchange.

34. Trading of underlying securities

State the following in bold:

"When can you trade securities issuable upon the exercise of your rights?"

State when a security holder can trade the securities issuable upon the exercise of the rights.

35. Resale restrictions

State the following in bold:

"Are there restrictions on the resale of securities?"

If the issuer is offering rights in one or more jurisdictions where there are restrictions on the resale of securities, include a statement disclosing when those rights and underlying securities will become freely tradable and that until then such securities may not be resold except pursuant to a prospectus or prospectus exemption, which may be available only in limited circumstances.

36. Fractional securities upon exercise of the rights

State the following in bold:

"Will we issue fractional underlying securities upon exercise of the rights?"

Respond "yes" or "no" and explain (if necessary).

PART 9 APPOINTMENT OF DEPOSITORY

37. Depository

State the following in bold:

"Who is the depository?"

If the rights offering is subject to a minimum offering amount, or if there is a stand-by commitment, state the name of the depository you appointed to hold all money received upon exercise of the rights until the minimum offering amount or stand-by commitment is received or until the money is returned.

38. Release of funds from depository

State the following in bold:

"What happens if we do not raise the [minimum offering amount] or if we do not receive funds from the stand-by guarantor?"

If the offering is subject to a minimum offering amount, or if there is a stand-by commitment, state that you have entered into an agreement with the depository under which the depository will return the money held by it to holders of rights that have already subscribed for securities under the offering, if you do not raise the minimum offering amount or receive funds from the stand-by guarantor.

PART 10 FOREIGN ISSUERS

39. Foreign issuers

State the following in bold:

"How can you enforce a judgment against us?"

If the issuer is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following:

"[The issuer] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada."

PART 11 ADDITIONAL INFORMATION

40. Additional information

State the following in bold:

"Where can you find more information about us?"

Provide the SEDAR website address and state that a security holder can access the issuer's continuous disclosure from that site. If applicable, provide the issuer's website address.

PART 12 MATERIAL FACTS AND MATERIAL CHANGES

41. Material facts and material changes

State the following in bold:

"There is no material fact or material change about the issuer that has not been generally disclosed."

If there is a material fact or material change about the issuer that has not been generally disclosed, add disclosure of that material fact or material change.

> *Guidance*
>
> Issuers should be aware that disclosing a material change in the rights offering circular does not relieve the issuer of the requirement to issue a news release and file a material change report as required by Part 7 of NI 51-102.

6. This Instrument comes into force on December 8, 2015.

5.1.2 Amendments to NI 41-101 General Prospectus Requirements

AMENDMENTS TO
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*

1. National Instrument 41-101 General Prospectus Requirements is amended by this Instrument.

2. The following Part is added after section 8.3:

PART 8A: Rights Offerings

Application and definitions

8A.1(1) This Part applies to an issuer that files a preliminary or final prospectus to distribute rights.

(2) In this Part,

"additional subscription privilege" means a privilege, granted to a holder of a right, to subscribe for a security not subscribed for by any holder under a basic subscription privilege;

"basic subscription privilege" means a privilege to subscribe for the number or amount of securities set out in a rights certificate held by the holder of the rights certificate;

"managing dealer" means a person or company that has entered into an agreement with an issuer under which the person or company has agreed to organize and participate in the solicitation of the exercise of the rights issued by the issuer;

"market price" means, for securities of a class for which there is a published market,

(a) except as provided in paragraph (b),

(i) if the published market provides a closing price, the simple average of the closing price of securities of that class on the published market for each of the trading days on which there was a closing price falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

(ii) if the published market does not provide a closing price, but provides only the highest and lowest prices of securities of the class traded, the average of the simple averages of the highest and lowest prices of securities of the class on the published market for each of the trading days on which there were highest and lowest prices falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

(b) if trading of securities of the class on the published market has occurred on fewer than 10 of the immediately preceding 20 trading days, the average of the following amounts established for each of the 20 trading days immediately before the day as of which the market price is being determined:

(i) the average of the closing bid and closing ask prices for each day on which there was no trading;

(ii) if the published market

(A) provides a closing price of securities of the class for each day that there was trading, the closing price, or

(B) provides only the highest and lowest prices, the average of the highest and lowest prices of securities of that class for each day that there was trading;

"published market" means, for a class of securities, a marketplace on which the securities are traded, if the prices at which they have been traded on that marketplace are regularly

(a) disseminated electronically, or

(b) published in a newspaper or business or financial publication of general and regular paid circulation;

"soliciting dealer" means a person or company whose interest in a distribution of rights is limited to soliciting the exercise of the rights by holders of those rights;

"stand-by commitment" means an agreement by a person or company to acquire the securities of an issuer not subscribed for under the basic subscription privilege or the additional subscription privilege.

(3) For the purpose of the definition of "market price", if there is more than one published market for a security and

(a) only one of the published markets is in Canada, the market price is determined solely by reference to that market,

(b) more than one of the published markets is in Canada, the market price is determined solely by reference to the published market in Canada on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined, and

(c) none of the published markets are in Canada, the market price is determined solely by reference to the published market on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined.

Filing of prospectus for a rights offering

8A.2 **(1)** An issuer must not file a prospectus for a distribution of rights unless all of the following apply:

(a) in addition to qualifying the distribution of the rights, the prospectus qualifies the distribution of the securities issuable upon the exercise of the rights;

(b) if there is a managing dealer, the managing dealer complies with section 5.9 as if the dealer were an underwriter;

(c) the exercise period for the rights is at least 21 days after the date on which the prospectus is sent to security holders;

(d) the subscription price for a security to be issued upon the exercise of a right is,

(i) if there is a published market for the security, lower than the market price of the security on the date of the final prospectus, or

(ii) if there is no published market for the security, lower than the fair value of the security on the date of the final prospectus unless the issuer restricts all of its insiders from increasing their proportionate interest in the issuer through the exercise of the rights distributed under the prospectus or through a stand-by commitment.

(2) If subparagraph (1)(d)(ii) applies, the issuer must deliver to the regulator or, in Québec, the securities regulatory authority independent evidence of fair value.

Additional subscription privilege

8A.3 An issuer must not grant an additional subscription privilege to a holder of a right unless all of the following apply:

(a) the issuer grants the additional subscription privilege to all holders of a right;

(b) each holder of a right is entitled to receive, upon the exercise of the additional subscription privilege, the number or amount of securities equal to the lesser of

(i) the number or amount of securities subscribed for by the holder under the additional subscription privilege, and

(ii) the number calculated in accordance with the following formula:

$x(y/z)$ where

x = the aggregate number or amount of securities available through unexercised rights after giving effect to the basic subscription privilege;

y = the number of rights exercised by the holder under the basic subscription privilege;

z = the aggregate number of rights exercised under the basic subscription privilege by holders of the rights that have subscribed for securities under the additional subscription privilege;

(c) all unexercised rights have been allocated on a pro rata basis to holders who subscribed for additional securities under the additional subscription privilege;

(d) the subscription price for the additional subscription privilege is the same as the subscription price for the basic subscription privilege.

Stand-by commitments

8A.4 If an issuer enters into a stand-by commitment for a distribution of rights, all of the following apply:

(a) the issuer must grant an additional subscription privilege to all holders of a right;

(b) the issuer must deliver to the regulator or, in Québec, the securities regulatory authority evidence that the person or company providing the stand-by commitment has the financial ability to carry out the stand-by commitment;

(c) the subscription price under the stand-by commitment must be the same as the subscription price under the basic subscription privilege.

Appointment of depository

8A.5 If an issuer has stated in a prospectus that no security will be issued upon the exercise of a right unless a stand-by commitment is provided, or unless proceeds of no less than the stated minimum amount are received by the issuer, all of the following apply:

(a) the issuer must appoint a depository to hold all money received upon the exercise of the rights until either the stand-by commitment is provided or the stated minimum amount is received and the depository is one of the following:

(i) a Canadian financial institution;

(ii) a registrant in the jurisdiction in which the funds are proposed to be held that is acting as managing dealer for the distribution of the rights, or, if there is no managing dealer for the distribution of the rights, that is acting as a soliciting dealer;

(b) the issuer and the depository must enter into an agreement, the terms of which require the depository to return the money referred to in paragraph (a) in full to the holders of rights that have subscribed for securities under the distribution of the rights if the stand-by commitment is not provided or if the stated minimum amount is not received by the depository during the exercise period for the rights.

Amendment

8A.6 If an issuer has filed a final prospectus for a distribution of rights, the issuer must not change the terms of the distribution.**.**

3. Paragraph 9.2(b) is amended by deleting "*and*" at the end of subparagraph (ii), by replacing the "*.*" with "*;*" and by adding the following subparagraphs:

(iv) **Evidence of financial ability** – the evidence of financial ability required to be delivered under section 8A.4 if it has not previously been delivered; and

(v) **Evidence of fair value –** the evidence of fair value required to be delivered under subsection 8A.2(2) if it has not previously been delivered.**.**

4. This Instrument comes into force on December 8, 2015.

5.1.3 Amendments to NI 44-101 Short Form Prospectus Distributions

AMENDMENTS TO
NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS*

1. National Instrument 44-101 Short Form Prospectus Distributions is amended by this Instrument.

2. Paragraph 4.2(b) is amended by deleting "*and*" at the end of subparagraph (ii), by replacing the "*.*" with "*,*" and by adding the following subparagraphs:

(iv) the evidence of financial ability required to be delivered under section 8A.4 of NI 41-101 if it has not previously been delivered, and

(v) the evidence of fair value required to be delivered under subsection 8A.2(2) of NI 41-101 if it has not previously been delivered.***.***

3. This Instrument comes into force on December 8, 2015.

5.1.4 Amendments to NI 45-102 Resale of Securities

AMENDMENTS TO
NATIONAL INSTRUMENT 45-102 *RESALE OF SECURITIES*

1. National Instrument 45-102 Resale of Securities is amended by this Instrument.

2. Appendix E is amended by replacing "section 2.1 [*Rights offering*]***" with:***

- section 2.1 [*Rights offering – reporting issuer*]
- section 2.1.1 [*Rights offering – stand-by commitment*]
- section 2.1.2 [*Rights offering – issuer with a minimal connection to Canada*]***.***

3. This Instrument comes into force on December 8, 2015.

5.1.5 Repeal of NI 45-101 Rights Offerings

REPEAL OF
NATIONAL INSTRUMENT 45-101 RIGHTS OFFERINGS

1. National Instrument 45-101 Rights Offerings is repealed by this Instrument.

2. This Instrument comes into force on December 8, 2015.

5.1.6 Amendments to MI 11-102 Passport System

AMENDMENTS TO
MULTILATERAL INSTRUMENT 11-102 *PASSPORT SYSTEM*

1. Multilateral Instrument 11-102 Passport System is amended by this Instrument.

2. Appendix D is amended by repealing the following:

Rights offering requirements	NI 45-101

3. This Instrument comes into force on December 8, 2015.

5.1.7 Amendments to NI 13-101 System for Electronic Document Analysis and Retrieval (SEDAR)

AMENDMENTS TO
NATIONAL INSTRUMENT 13-101 *SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR)*

1. National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) is amended by this Instrument.

2. Paragraph II.A.(a) of Appendix A is amended by

(a) repealing items 17 and 18, and

(b) adding the following items:

19. Rights Offering – Circular

20. Rights Offering – Minimal Connection***.***

3. This Instrument comes into force on December 8, 2015.

5.1.8 Amendments to MI 13-102 System Fees for SEDAR and NRD

AMENDMENTS TO
MULTILATERAL INSTRUMENT 13-102 *SYSTEM FEES FOR SEDAR AND NRD*

1. Multilateral Instrument 13-102 System Fees for SEDAR and NRD is amended by this Instrument.

2. Subsection 1(2) is amended by replacing

rights offering	National Instrument 45-101 *Rights Offerings*

with

rights offering circular	Section 2.1 of National Instrument 45-106 *Prospectus Exemptions*

3. Column B of Item 13 of Appendix B is amended by replacing "Rights offering material***" with "***Rights offering circular***".***

4. This Instrument comes into force on December 8, 2015.

5.1.9 Changes to Companion Policy 45-106CP Prospectus Exemptions

CHANGES TO
COMPANION POLICY 45-106CP *PROSPECTUS EXEMPTIONS*

1. Companion Policy 45-106CP Prospectus Exemptions is changed by this Instrument.

2. Part 3 is changed by adding the following sections:

3.10 Rights offering – reporting issuer

(1) Offer available to all security holders in Canada

One of the conditions of the rights offering exemption for reporting issuers in section 2.1 of NI 45-106 is that the issuer must make the basic subscription privilege available on a pro rata basis to every security holder in Canada of the class of securities to be distributed on exercise of the rights, regardless of how many security holders reside in a local jurisdiction.

(2) Market price and fair value

Paragraph 2.1(3)(g) of NI 45-106 provides that if there is no published market for the securities, the subscription price must be lower than fair value unless the issuer restricts all insiders from increasing their proportionate interest in the issuer through the rights offering or a stand-by commitment. If there is no published market for the securities and the issuer restricts all insiders from increasing their proportionate interest in the issuer, the subscription price may be set at any price. Under section 13 of Form 45-106F15, an issuer must explain in its rights offering circular how it determined the fair value of the securities. For these purposes, an issuer could consider a fairness opinion or a valuation.

For the purposes of paragraph 2.1(3)(g) of NI 45-106, insiders will not be prohibited from participating in the offering if the published market price or fair value of the securities falls below the subscription price following filing of the rights offering notice.

The rights offering exemption is not intended to be used by insiders or related parties for the purpose of increasing their proportionate interest in the issuer, although we recognize that as a potential outcome. One of the reasons for the above pricing restrictions, and the similar restrictions in paragraph 2.1(3)(g) for issuers with a published market, is to prevent insiders and other related parties from using the rights offering exemption as a means of taking control of the issuer.

(3) Stand-by commitments

To provide the confirmation in subparagraph 2.1(3)(i)(ii) of NI 45-106 that the stand-by guarantor has the financial ability to carry out its obligations under the stand-by commitment, the issuer could consider the following:

- a statement of net worth attested to by the stand-by guarantor
- a bank letter of credit
- the most recent annual audited financial statements of the stand-by guarantor.

A registered dealer that acquires a security of an issuer as part of the stand-by commitment may use the exemption in section 2.1.1 of NI 45-106. However, we would have concerns if a dealer or other person uses the exemption in section 2.1.1 in a situation where the dealer or other person

(a) is acting as an underwriter with respect to the distribution, and

(b) acquires the security with a view to distribution.

If (a) and (b) apply, the dealer or other person should acquire the security under the exemption in section 2.33 of NI 45-106. Please refer to section 1.7 of this Companion Policy.

(4) Calculation of number of securities

In calculating the number of outstanding securities for purposes of paragraph 2.1(3)(h) of NI 45-106, CSA staff generally take the view that

(a) if

x = the number or amount of securities of the class of the securities that may be or have been issued upon the exercise of rights under all rights offerings made by the issuer in reliance on the exemption during the previous 12 months,

y = the maximum number or amount of securities that may be issued upon exercise of rights under the proposed rights offering, and

z = the number or amount of securities of the class of securities that is issuable upon the exercise of rights under the proposed rights offering that are outstanding as of the date of the rights offering circular;

then $\frac{x + y}{z}$ must be equal to or less than 1, and

(b) if the convertible securities that may be acquired under the proposed rights offering may be converted before 12 months after the date of the proposed rights offering, the potential increase in outstanding securities, and specifically, "y" in paragraph (a), should be calculated as if the conversion of those convertible securities had occurred,

(c) despite paragraph (b), if the convertible security is a warrant that forms part of a unit and the warrant has nominal or no value, the potential increase in outstanding securities, and specifically, "y" in paragraph (a), should not be calculated as if the conversion of the warrant had occurred.

One of the conditions of the exemption is that the issuer must make the basic subscription privilege available on a pro rata basis to each security holder of the class of securities to be distributed on exercise of the rights. For clarity, this means that an issuer cannot use a rights offering to distribute a new class of securities.

(5) Investment funds

As a reminder, pursuant to section 9.1.1 of National Instrument 81-102 Investment Funds (NI 81-102), investment funds that are subject to NI 81-102 are restricted from issuing warrants or rights.

3.11 Rights offering – issuer with a minimal connection to Canada

It may be difficult for an issuer to determine beneficial ownership of its securities as a result of the book-based system of holding securities. We are of the view that, for the purpose of determining beneficial ownership to comply with the exemption in section 2.1.2 of NI 45-106, procedures comparable to those found in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, or any successor instrument, are appropriate.

In section 2.1.2(1)(a), the issuer must determine the number of beneficial security holders in Canada and the number of securities held by those security holders "to the issuer's knowledge after reasonable enquiry". We think an issuer could generally satisfy this requirement by relying on its most recently-conducted beneficial ownership search procedures conducted for the purpose of distributing proxy material for a shareholders meeting that occurred within the last 12 months, unless the issuer has reason to believe that it would no longer meet the test in section 2.1.2 of NI 45-106. For example, if, after the previous search procedures, the issuer conducted a financing in Canada that could affect the results, they may not be able to rely on those procedures..

3. These changes become effective on December 8, 2015.

5.1.10 Changes to Companion Policy 41-101CP General Prospectus Requirements

CHANGES TO
COMPANION POLICY 41-101CP *GENERAL PROSPECTUS REQUIREMENTS*

1. Companion Policy 41-101CP General Prospectus Requirements is changed by this Instrument.

2. Part 2 is changed by adding the following section:

Rights offerings

2.11 (1) The regulator or, in Québec, the securities regulatory authority may refuse to issue a receipt for a prospectus filed for a rights offering under which rights are issued if the rights are exercisable into convertible securities that require an additional payment by the holder on conversion and the securities underlying the convertible securities are not qualified under the prospectus. This will ensure that the remedies for misrepresentation in the prospectus are available to the person or company who pays value.

(2) Subparagraph 8A.2(1)(d)(ii) of the Instrument provides that if there is no published market for the securities, the subscription price must be lower than fair value unless the issuer restricts all insiders from increasing their proportionate interest in the issuer through the rights offering or a stand-by commitment. Under subsection 8A.2(2), the issuer must deliver to the regulator or, in Québec, the securities regulatory authority evidence of fair value. For this purpose, the regulator will consider such things as fairness opinions, valuations and letters from registered dealers as evidence of the fair value.

(3) Under paragraph 8A.4(b) of the Instrument, if there is a stand-by commitment for a rights offering, the issuer must deliver to the regulator or, in Québec, the securities regulatory authority evidence that the person or company providing the stand-by commitment has the financial ability to carry out the stand-by commitment. For this purpose, the regulator or, in Québec, the securities regulatory authority may consider any of the following:

- a statement of net worth attested to by the person or company making the commitment,
- a bank letter of credit,
- the most recent audited financial statements of the person or company making the commitment,
- other evidence that provides comfort to the regulator or, in Québec, the securities regulatory authority.*.*

3. These changes become effective on December 8, 2015.

5.1.11 Amendments to OSC Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission

AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 11-501
ELECTRONIC DELIVERY OF DOCUMENTS TO THE ONTARIO SECURITIES COMMISSION

1. Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission is amended by this Instrument.

2. Appendix A is amended by

(a) deleting the following rows

45-101F	Form 45-101F *Information Required in a Rights Offering Circular*
45-101 s. 3.1(1)2	A statement of the issuer sent pursuant to paragraph 2 of subsection 3.1(1) of National Instrument 45-101 *Rights Offerings*
45-101 s. 10.1	Notice and materials sent pursuant to subsection 10.1 of National Instrument 45-101 *Rights Offerings*

(b) adding the following rows

45-106F15	Form 45-106F15 *Rights Offering Circular for Reporting Issuers*
45-106 s. 2.1.2	Notice and materials sent pursuant to section 2.1.2 of National Instrument 45-106 *Prospectus Exemptions*

after

45-106F1	Form 45-106F1 *Report of Exempt Distribution*

3. This Instrument comes into force on December 8, 2015.

5.1.12 Amendments to OSC Rule 13-502 Fees

AMENDMENTS TO
ONTARIO SECURITIES COMMISSION RULE 13-502 *FEES*

1. Ontario Securities Commission Rule 13-502 Fees is amended by this Instrument.

2. Appendix C is amended in item B(3), by replacing "**Form 45-101F" with "**Form 45-106F15***".***

3. This Instrument comes into force on December 8, 2015.

5.1.13 Amendments to MI 61-101 Protection of Minority Security Holders in Special Transactions

AMENDMENTS TO
MULTILATERAL INSTRUMENT 61-101
PROTECTION OF MINORITY SECURITY HOLDERS IN SPECIAL TRANSACTIONS

1. Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions is amended by this Instrument.

2. Subparagraph 5.1(k)(ii) is amended by replacing "National Instrument 45-101 Rights Offerings***" with "***National Instrument 45-106 Prospectus Exemptions***".***

3. This Instrument comes into force on December 8, 2015.

5.1.14 Amendment to OSC Rule 13-502 Fees

AMENDMENT TO
ONTARIO SECURITIES COMMISSION RULE 13-502 *FEES*

1. Ontario Securities Commission Rule 13-502 Fees is amended by this Instrument.

2. Row E5 in Column A of Appendix C is amended by

(a) replacing "; and***" with "***,***", and***

(***b) adding "***, and***" at the end of paragraph (b) and by adding the following paragraph:***

"(c) under subsections 144(1) and 127(4.3) of the Act to revoke a cease trade order made under subsection 127(4.1) of the Act that has been in effect for 90 days or less.***".***

3. This Instrument comes into force on December 15, 2015.

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Chapter 6

Request for Comments

6.1.1 Proposed amendments to final adopted Companion Policy 24-102CP to National Instrument 24-102 Clearing Agency Requirements

[Editor's Note: For a full discussion of the Proposed Amendments to Companion Policy 24-102CP, please refer to Volume 38, Supplement 5 of the OSC Bulletin, published on December 3, 2015.]

PROPOSED AMENDMENTS TO FINAL ADOPTED COMPANION POLICY 24-102CP TO NATIONAL INSTRUMENT 24-102 *CLEARING AGENCY REQUIREMENTS*

Companion Policy 24-102CP is amended by inserting in Annex I the following immediately after Box 2.2:

"- ***PFMI Principle 3: Framework for the comprehensive management of risks***

Box 3.1:
Joint Supplementary Guidance –
Recovery Plans

Context

In 2012, to enhance the safety and efficiency of payment, clearing and settlement systems, the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions (CPMI-IOSCO) released a set of international risk-management standards for FMIs, known as the Principles for Financial Market Infrastructures (PFMIs). The PFMIs provide standards regarding FMI recovery planning and orderly wind-down, which were adopted by the Bank of Canada as Standard 24 of the Bank's *Risk-Management Standards for Designated FMIs* and by the CSA as part of National Instrument 24-102.[1,2] The Bank's Standard 24 is described as follows:

> *An FMI is expected to identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for recovery or orderly wind-down. This entails preparing appropriate plans for its recovery or orderly wind-down based on the results of that assessment.*

In October 2014, the CPMI-IOSCO released its report, "Recovery of Financial Market Infrastructures" (the Recovery Report), providing additional guidance specific to the recovery of FMIs.[3] The Recovery Report explains the required structure and components of an FMI recovery plan and provides guidance on FMI critical services and recovery tools at a level sufficient to accommodate possible differences in the legal and institutional environments of each jurisdiction.

For the purpose of this guidance, FMI recovery is defined as the set of actions that an FMI can take, consistent with its rules, procedures and other ex ante contractual agreements, to address any uncovered loss, liquidity shortfall or capital inadequacy, whether arising from participant default or other causes (such as business, operational or other structural weakness), including actions to replenish any depleted pre-funded financial resources and liquidity arrangements, as necessary, to maintain the FMI's viability as a going concern and the continued provision of critical services.[4,5]

Recovery planning is not intended as a substitute for robust day-to-day risk management. Rather, it serves to extend and strengthen an FMI's risk-management framework, enhancing the resilience of the FMI and bolstering confidence in the FMI's ability to function effectively even under extreme but plausible market conditions and operating environments,

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1 See key consideration 4 of PFMI Principle 3 and key consideration 3 of PFMI Principle 15 which are adopted in the Canadian Securities Administrators' (CSA) National Instrument 24-102 *Clearing Agency Requirements*, section 3.1.

2 The Bank of Canada's *Risk-Management Standards for Designated FMIs* is available at http://www.bankofcanada.ca/core-functions/financial-system/bank-canada-risk-management-standards-designated-fmis/.

3 Available at http://www.bis.org/cpmi/publ/d121.pdf.

4 Recovery Report, Paragraph 1.1.1.

5 For a precise definition of orderly wind-down, see the Recovery Report, Paragraph 2.2.2.

Key Components of Recovery Plans

Overview of existing risk-management and legal structures

As part of their recovery plans, FMIs should include overviews of their legal entity structure and capital structure to provide context for stress scenarios and recovery activities.

FMIs should also include an overview of their existing risk-management frameworks—i.e., their pre-recovery risk-management activities. As part of this overview, and to determine the relevant point(s) where standard risk-management frameworks are exhausted, FMIs should identify all the material risks they are exposed to and explain how they use their existing risk-management tools to manage these risks to a high degree of confidence.

Critical services[6]

In their recovery plans, FMIs should identify, in consultation with Canadian authorities and stakeholders, the services they provide that are critical to the smooth functioning of the markets that they serve and to the maintenance of financial stability. FMIs may find it useful to consider the degree of **substitutability** and **interconnectedness** of each of these critical services, specifically

- The degree of criticality of an FMI's service is likely to be high if there are no, or only a small number of, alternative service providers. Factors related to the substitutability of a service could include (i) the size of a service's market share, (ii) the existence of alternative providers that have the capacity to absorb the number of customers and transactions the FMI maintains, and (iii) the FMI participants' capability to transfer positions to the alternative provider(s).

- The degree of criticality of an FMI's service may be high if the service is significantly interconnected with other market participants, both in terms of breadth and depth, thereby increasing the likelihood of contagion if the service were to be discontinued. Potential factors to consider when determining an FMI's interconnectedness are (i) what services it provides to other entities and (ii) which of those services are critical for other entities to function.

Stress scenarios[7]

In their recovery plans, FMIs should identify scenarios that may prevent them from being able to provide their critical services as a going concern. Stress scenarios should be focused on the risks an FMI faces from its payment, clearing and settlement activity. An FMI should then consider stress scenarios that cause financial stress in excess of the capacity of its existing risk controls, thereby pushing the FMI into recovery. An FMI should organize stress scenarios by the types of risk it faces; for each stress scenario, the FMI should clearly explain the following:

- the assumptions regarding market conditions and the state of the FMI within the stress scenario, accounting for the differences that may exist depending on whether the stress scenario is systemic or idiosyncratic;

- the estimated impact of a stress scenario on the FMI, its participants, participants' clients and other stakeholders; and

- the extent to which an FMI's existing pre-recovery risk-management tools are insufficient to withstand the impacts of realized risks in a recovery stress scenario and the value of the loss and/or of the negative shock required to generate a gap between existing risk-management tools and the losses associated with the realized risks.

Triggers for recovery

For each stress scenario, FMIs should identify the triggers that would move them from their pre-recovery risk-management activities (e.g., those found in a CCP's default waterfall) to recovery. These triggers should be both qualified (i.e., outlined) and, where relevant, quantified to demonstrate a point at which recovery plans will be implemented without ambiguity or delay.

While the boundary between pre-recovery risk-management activities and recovery can be clear (for example, when pre-funded resources are fully depleted), judgment may be needed in some cases. When this boundary is not clear, FMIs should lay out in their recovery plans how they will make decisions.[8] This includes detailing in advance their communication plans, as well as the escalation process associated with their decision-making procedures. They should also specify the decision-makers responsible for each step of the escalation process to ensure that there is adequate time for recovery tools to be implemented if required.

[6] Recovery Report, Paragraphs 2.4.2–2.4.4.

[7] Recovery Report, Paragraph 2.4.5.

[8] Recovery Report, Paragraph 2.4.8.

More generally, it is important to identify and place the triggers for recovery early enough in a stress scenario to allow for sufficient time to implement recovery tools. Triggers placed too late in a scenario will impede the effective rollout of these tools and hamper recovery efforts. Overall, in determining the moment when recovery should commence, and especially where there is uncertainty around this juncture, an FMI should be prudent in its actions and err on the side of caution.

***Selection and Implementation of Recovery Tools*[9]**

A comprehensive plan for recovery

The success of a recovery plan relies on a comprehensive set of tools that can be effectively implemented during recovery. The applicability of these tools and their contribution to recovery varies by system, stress event and the order in which they are applied.

A robust recovery plan relies on a range of tools to form an adequate response to realized risks. Canadian authorities will provide feedback on the comprehensiveness of selected recovery tools when reviewing an FMI's complete recovery plan.

Characteristics of recovery tools

In providing this guidance, Canadian authorities used a broad set of criteria (described below), including those from the CPMI-IOSCO Recovery Report, to determine the characteristics of effective recovery tools.[10] FMIs should aim for consistency with these criteria in the selection and application of tools. In this context, recovery tools should be

- Reliable and timely in their application and have a strong legal and regulatory basis. This includes the need for FMIs to mitigate the risk that a participant may be unable or unwilling to meet a call for financial resources in a timely manner, or at all (i.e., performance risk), and to ensure that all recovery activities have a strong legal and regulatory basis.

- Measurable, manageable and controllable to ensure that they can be applied effectively while keeping in mind the objective of minimizing their negative effects on participants, , and the broader financial system. To this end, using tools that have predictable and capped participant exposure provides better certainty of a tool's impact on FMI participants and its contribution to recovery. Fairness in the allocation of uncovered losses and shortfalls, and the capacity to manage the associated costs, should also be considered.

- Transparent to participants: this should include a predefined description of each recovery tool, its purpose and the responsibilities and procedures of participants and the FMIs subject to the recovery tool's application to effectively manage participants' expectations. Transparency also mitigates performance risk by detailing the obligations and procedures of FMIs and participants beforehand to support the timely and effective rollout of recovery tools.

- Designed to create appropriate incentives for sound risk management and encourage voluntary participation in recovery to the greatest extent possible. This includes distributing post-recovery proceeds to participants that supported the FMI through the recovery process.

Systemic stability

Certain tools may have serious consequences for participants and for the stability of financial markets more generally. FMIs should use prudence and judgment in the selection of appropriate tools. Canadian authorities are of the view that FMIs should avoid uncapped, unpredictable or ill-defined participant exposures, which could create uncertainty and disincentives to participate in an FMI. Participants' ability to predict and manage their exposures to recovery tools is important, both for their own stability and for the stability of the indirect participants of an FMI.

In assessing FMI recovery plans, Canadian authorities are concerned with the possibility of systemic disruptions from the use of certain tools or tools that pose unquantifiable risks to participants. When selecting recovery tools, FMIs should keep in mind the objective of minimizing their negative impacts on participants, the FMI and the broader financial system.

Recommended recovery tools

This section outlines recommended recovery tools for use in FMI recovery plans. Not all tools are applicable for the different types of FMIs (e.g., a payment system versus a central counterparty). Each FMI should use discretion when selecting the most appropriate tools for its recovery plans, consistent with the considerations discussed above.

[9] Recovery Report, Paragraph 2.3.6 – 2.3.7 and 2.5.6 and Paragraphs 3.4.1 – 3.4.7.

[10] Recovery Report, Paragraph 3.3.1.

❖ **Cash calls**

Cash calls are recommended for recovery plans if they are capped and limited to a maximum number of rounds established in advance. The cap (on participant exposure) should be linked to each participant's risk-weighted level of FMI activity.

By providing predictable exposures pro-rated to a participant's risk-weighted level of activity, FMIs create incentives for better risk management on the part of participants, while giving the FMI greater certainty over the amount of resources that can be made available during recovery.

Since cash calls rely on contingent resources held by FMI participants, there is a risk that they may not be honoured, reducing their effectiveness as a recovery tool. The management of participants' expectations, especially placing clear limits on participant exposure, can mitigate this concern.

Cash calls can be designed in multiple ways to structure incentives, vary their impacts on participants and respond to different stress scenarios. When designing cash calls, FMIs should, to the greatest extent possible, seek to minimize the negative consequences of the tool's use.

❖ **Variation margin gains haircutting (VMGH)**

VMGH is recommended for recovery plans if its use is limited to a maximum number of rounds that are predefined by the FMI.

VMGH relies on participant resources posted at the FMI as variation margin (VM). Where the price movements of underlying instruments create sufficient VM gains for use in recovery, VMGH provides an FMI with a reliable and timely source of financial resources without the performance risk that is associated with tools reliant on resources held by participants.

VMGH assigns losses and shortfalls only to participants with net position gains; as a result, the pro rata financial burden is higher for these participants. The negative effects of VMGH can also be compounded for participants who rely on variation margin gains to honour obligations outside the FMI.

Participant exposure under VMGH can be measured with reasonable confidence since it is tied to the level of risk held in the VM fund and the potential for gains. By specifying the maximum number of rounds to which VMGH can be applied, an FMI will limit this exposure, providing better predictability of the tool's impact.

❖ **Voluntary contract allocation**

To recover from an unmatched book caused by a participant default, a CCP can use its powers to allocate unmatched contracts.[11] In the context of recovery, contract allocation should only be applied on a *voluntary* basis. Voluntary contract allocation (e.g., by auction) addresses unmatched positions while taking participant welfare into account since only participants who are willing to take on positions will participate.

The reliance on a voluntary process, such as an auction, introduces the risk that not all positions will be matched or that the auction process is not carried out in a timely manner. Defining the responsibilities and procedures for voluntary contract allocation (e.g., the auction rules) in advance will mitigate this risk and increase the reliability of the tool. To ensure that there is adequate participation in an auction process, FMIs should create incentives for participants to take on unmatched positions. FMIs may also wish to consider expanding the auction beyond direct participants to increase the chances that all positions will be matched.

❖ **Voluntary contract tear-up**

Since eliminating positions can help re-establish a matched book, Canadian authorities view contract tear-up as a potentially effective tool for FMI recovery. However, to the extent that the termination of an incomplete trade represents a disruption of a critical FMI service (albeit on a limited and intended basis), it can be too invasive to apply. Where contract tear-up is included in a recovery plan, FMIs should keep this in mind and perform tear-up only on a voluntary basis. To this end, FMIs may want to consider using incentives to encourage voluntary tear-up during recovery.

[11] A "matched book" occurs when there is an equal distribution of assets and liabilities. In the context of a CCP, and at a simplified level, this refers to the matched positions that form the two sides of an active trade. A matched book must be maintained for the CCP to complete a trade. An unmatched book occurs when one participant defaults on its position in the trade, leaving the CCP unable to complete the transaction.

To the extent that a voluntary contract tear-up still disrupts critical FMI services, it can produce disincentives to participate in an FMI. There should be a strong legal basis for the relevant processes and procedures when a voluntary contract tear-up is included in a recovery plan. This will help to manage participant expectations for this tool and ensure that confidence in the FMI is maintained.

Other tools available for FMI recovery include standing third-party liquidity lines, contractual liquidity arrangements with participants, insurance against financial loss, increased contributions to pre-funded resources, and use of an FMI's own capital beyond the default waterfall. These and other tools are often already found in the pre-recovery risk-management frameworks of FMIs; nonetheless, Canadian authorities encourage their use for recovery as well, provided they are in keeping with the criteria for effective recovery tools as found in the Recovery Report and in this guidance.[12]

To the extent that the costs of recovery are shared less equally under some tools (e.g., VMGH), if it is financially feasible, FMIs could consider post-recovery actions to restore fairness where participants have been disproportionately affected. Such actions may include the repayment of participant contributions used to address liquidity shortfalls and other instruments that aim to redistribute the burden of losses allocated during recovery. It is important to note that these actions in the post-recovery period should not impair the financial viability of the FMI as a going concern.

Tools not recommended for recovery plans

Due to their uncertain and potentially negative effects on the broader financial system, Canadian authorities do not encourage the inclusion of uncapped and unlimited rounds of cash calls, unlimited rounds of VMGH, involuntary (forced) contract allocation, involuntary (forced) contract tear-up, and the use of non-defaulting participants' initial margin in FMI recovery plans. These could potentially be used by a resolution authority but would need to be carefully assessed against their potential impact on participants and the stability of the broader financial system.

While these tools can potentially address liquidity or capital shortfalls, it could be to the detriment of the broader financial system and the viability of the FMI. Uncapped and unlimited cash calls and unlimited rounds of VMGH can create ambiguous participant exposures, while exposures to involuntary contract allocation and tear-up activities can be difficult to manage, measure and control, even when they offer incentives to assist with recovery.

Where FMIs believe that these tools should be included in a recovery plan, the tools must be carefully considered and accompanied by a strong rationale for their use. Canadian authorities will provide feedback on the suitability of any such tools as part of their review of a recovery plan.

Recovery from non-default-related losses and structural weaknesses

Consistent with a defaulter-pays principle, an FMI should rely on FMI-funded resources to address recovery from non-default-related losses (i.e., operational and business losses on the part of an FMI), including losses arising from structural weakness.[13] To this end, FMIs should examine ways to increase the loss absorbency between the FMI's pre-recovery risk-management activities and participant-funded resources (e.g., by using FMI-funded insurance against operational risks).

Structural weakness can be an impediment to the effective rollout of recovery tools and may itself result in non-default-related losses that are a trigger for recovery. An FMI recovery plan should include a process detailing how to promptly identify, evaluate and address the sources of underlying structural weakness on a continuous basis (e.g., unprofitable business lines, investment losses) and the tools available to address them within a concrete time frame.

The use of participant-funded resources to recover from non-default-related losses can lessen incentives for robust risk management within an FMI and provide disincentives to participate. If, despite these concerns, participants consider it in their interest to keep the FMI as a going concern, an FMI and its participants may agree to include a certain amount of participant-funded recovery tools to address some non-default-related losses. Under these circumstances, the FMI should clearly explain under what conditions participant resources would be used and how costs would be distributed.

Defining full allocation of uncovered losses and liquidity shortfalls

Principles 4 (credit risk)[14] and 7 (liquidity risk)[15] of the PFMIs require that FMIs should specify rules and procedures to fully allocate both uncovered losses and liquidity shortfalls caused by stress events, such as participant default. Rules to fully allocate

[12] Recovery Report, Paragraph 3.3.1.

[13] Structural weakness can be caused by factors such as poor business strategy, poor investment and custody policy, poor organizational structure, IM/IT-related obstacles, poor legal or regulatory risk frameworks, and other insufficient internal controls.

[14] Under key consideration 7 of PFMI Principle 4, an FMI should establish explicit rules and procedures that fully address any credit losses it may face as a result of any individual or combined default among its participants with respect to any of their obligations to the FMI.

[15] Under key consideration 10 of PFMI Principle 7, FMIs should establish rules and procedures that address unforeseen and potentially uncovered liquidity shortfalls and should aim to avoid unwinding, revoking or delaying the same-day settlement of payment obligations.

all uncovered credit losses and liquidity shortfalls may be implemented either as part of recovery and/or resolution. To be consistent with this requirement, **Canadian FMIs should consider various stress scenarios and have rules and procedures that allow them to fully allocate any loss or liquidity shortfall arising from those stress scenarios.** For additional guidance on stress scenarios and triggers for recovery, see the Recovery Report, Sections 2.4.5 and 2.4.6 and page 3 of this document.

Legal consideration for full allocation

An FMI's rules for allocating losses and liquidity shortfalls should be supported by relevant laws and regulations. There should be a high level of certainty that rules and procedures to fully allocate all uncovered losses and liquidity shortfalls are enforceable and will not be voided, reversed or stayed.[16] This requires that Canadian FMIs design their recovery tools in compliance with Canadian laws. For example, if the FMI's loss-allocation rules involve a guarantee, Canadian law generally requires that the guaranteed amount be determinable and preferably capped by a fixed amount.[17]

FMIs should consider whether it is appropriate to involve indirect participants that do not benefit from a customer-protection regime in the allocation of losses and shortfalls during recovery. Such loss or shortfall allocation arrangement should have a strong legal and regulatory basis and involve consultation with indirect participants to ensure that all relevant concerns are taken into account.

Overall, FMIs are responsible for seeking appropriate legal advice on how their recovery tools can be designed and for ensuring that all recovery tools and activities are in compliance with the relevant laws and regulations.

Additional Considerations in Recovery Planning

Transparency and coherence[18]

An FMI should ensure that its recovery plan is coherent and transparent to all relevant levels of management within the FMI, as well as to its regulators and overseers. To do so, a recovery plan should

- contain information at the appropriate level and detail; and
- be sufficiently coherent to relevant parties within the FMI, as well as to the regulators and overseers of the FMI, to effectively support the implementation of the recovery tools.

An FMI should ensure that the assumptions, preconditions, key dependencies and decision-making processes in a recovery plan are transparent and clearly identified.

Relevance and flexibility[19]

An FMI's recovery plan should thoroughly cover the information and actions relevant to extreme but plausible market conditions and other situations that would call for the use of recovery tools. An FMI should take into account the following elements when developing its recovery plan:

- the nature, size and complexity of its operations;
- its interconnectedness with other entities;
- operational functions, processes and/or infrastructure that may affect the FMI's ability to implement its recovery plan; and
- any upcoming regulatory reforms that may have the potential to affect the recovery plan.

Recovery plans should be sufficiently flexible to address a range of FMI-specific and market-wide stress events. Recovery plans should also be structured and written at a level that enables the FMI's management to assess the recovery scenario and initiate appropriate recovery procedures. As part of this expectation, the recovery plan should demonstrate that senior management has assessed the potential two-way interaction between recovery tools and the FMI's business model, legal entity structure, and business and risk-management practices.

[16] CPMI-IOSCO Principles for Financial Market Infrastructures, Paragraph 3.1.10.

[17] The *Bank Act*, Section 414.1 and IIROC Rule 100.14 prohibit banks and securities dealers, respectively, from providing unlimited guarantees to an FMI or a financial institution.

[18] Recovery Report, Section 2.3.

[19] Recovery Report, Section 2.3.

Implementation[20]

An FMI should have credible and operationally feasible approaches to recovery planning in place and be able to act upon them in a timely manner, under both idiosyncratic and market-wide stress scenarios. To this end, recovery plans should describe

- potential impediments to implementing recovery tools effectively and strategies to address them; and
- the impact of a major operational disruption.[21]

This information is important to strengthen a recovery plan's resilience to shocks and ensure that the recovery tools are actionable.

A recovery plan should also include an escalation process and the associated communication procedures that an FMI would take in a recovery situation. Such a process should define the associated timelines, objectives and key messages of each communication step, as well as the decision-makers who are responsible for it.

Consulting Canadian authorities when taking recovery actions

While the responsibility for implementing the recovery plan rests with the FMI, Canadian authorities consider it critical to be informed when an FMI triggers its recovery plan and before the implementation of recovery tools and other recovery actions. This includes the authorities responsible for the regulation, supervision and oversight of the FMI, as well as any authorities who would be responsible for the FMI if it were to be put into resolution.

Canadian FMIs should consult Canadian authorities before implementing any and all recovery tools and actions to ensure that decisions take into account potential financial stability implications and other relevant public interest considerations. This action should occur early on and should be explicitly identified in the escalation process of a recovery plan. Acknowledging the speed at which an FMI may enter recovery, FMIs are encouraged to develop formal communications protocols with authorities in the event that recovery is triggered and immediate action is required.

Review of Recovery Plan[22]

An FMI should include in its recovery plan a robust assessment of the recovery tools presented and detail the key factors that may affect their implementation. It should recognize that, while some recovery tools may be effective in returning the FMI to viability, these tools may not have a desirable effect on its participants or the broader financial system.

A framework for testing the recovery plan (for example, through scenario exercises, periodic simulations, back-testing and other mechanisms) should be presented either in the plan itself or linked to a separate document. This impact assessment should include an analysis of the effect of implementing recovery tools on financial stability and other relevant public interest considerations.[23] Furthermore, an FMI should demonstrate that the appropriate business units and levels of management have assessed the potential consequences of recovery tools on FMI participants and entities linked to the FMI.

Annual review of recovery plan

An FMI should review and, if necessary, update its recovery plan on an annual basis. The recovery plan should be subject to approval by the FMI's Board of Directors.[24] Under the following circumstances, an FMI is expected to review its recovery plan more frequently:

- if there is a significant change to market conditions or to an FMI's business model, corporate structure, services provided, risk exposures or any other element of the firm that could have a relevant impact on the recovery plan;
- if an FMI encounters a severe stress situation that requires appropriate updates to the recovery plan to address the changes in the FMI's environment or lessons learned through the stress period; and
- if the Canadian authorities request that the FMI update the recovery plan to address specific concerns or for additional clarity.

[20] Recovery Report, Paragraph 2.3.9.

[21] This is also related to the FMI's backup and contingency planning, which are distinct from recovery plans.

[22] Recovery Report, Paragraph 2.3.8.

[23] This is in line with key consideration 1 of PFMI Principle 2 (Governance), which states that an FMI should have objectives that place a high priority on the safety and efficiency of the FMI and explicitly support financial stability and other relevant public interest considerations.

[24] Recovery Report, Paragraph 2.3.3.

Canadian authorities will also review and provide their views on an FMI's recovery plan before it comes into effect. This is to ensure that the plan is in line with the expectations of Canadian authorities.

Orderly Wind-Down Plan as Part of a Recovery Plan[25]

Canadian authorities expect FMIs to prepare, as part of their recovery plans, for the possibility of an orderly wind-down. However, developing an orderly wind-down plan may not be appropriate or operationally feasible for some critical services. In this instance, FMIs should consult with the relevant authorities on whether they can be exempted from this requirement.

Considerations when developing an orderly wind-down plan

An FMI should ensure that its orderly wind-down plan has a strong legal basis. This includes actions concerning the transfer of contracts and services, the transfer of cash and securities positions of an FMI, or the transfer of all or parts of the rights and obligations provided in a link arrangement to a new entity.

In developing orderly wind-down plans, an FMI should elaborate on

- the scenarios where an orderly wind-down is initiated, including the services considered for wind-down;
- the expected wind-down period for each scenario, including the timeline for when the wind-down process for critical services (if applicable) would be complete; and
- measures in place to port critical services to another FMI that is identified and assessed as operationally capable of continuing the services.

Disclosure of recovery and orderly wind-down plans

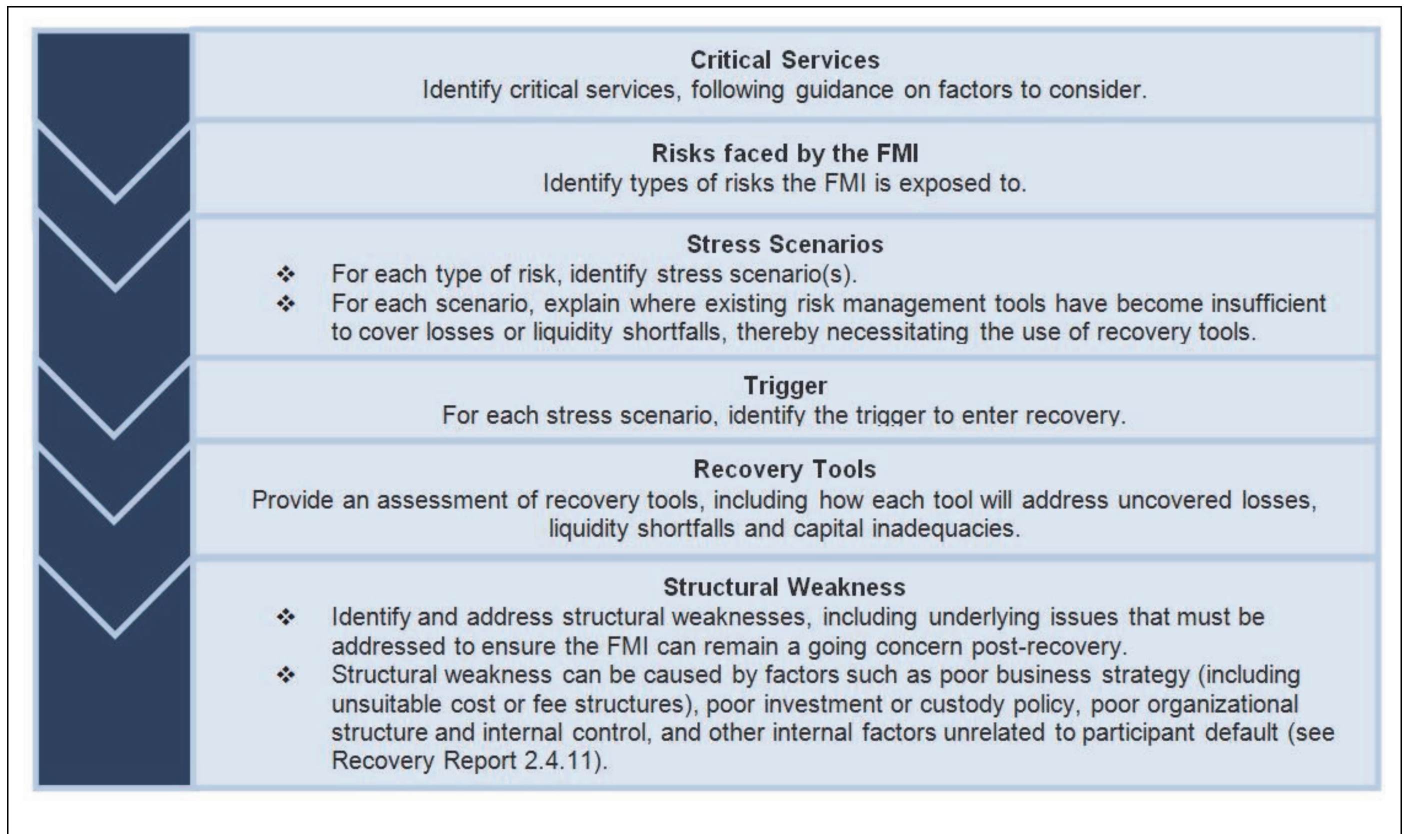
An FMI should disclose sufficient information regarding the effects of its recovery and orderly wind-down plans on FMI participants and stakeholders, including how they would be affected by (i) the allocation of uncovered losses and liquidity shortfalls and (ii) any measures the CCP would take to re-establish a matched book. In terms of disclosing the degree of discretion an FMI has in implementing recovery tools, an FMI should make it clear to FMI participants and all other stakeholders ahead of time that all recovery tools and orderly wind-down actions that an FMI can implement will only be employed after consulting with the relevant Canadian authorities.

Note that recovery and orderly wind-down plans need not be two separate documents; the orderly wind-down of critical services may be a part or subset of the recovery plan. Furthermore, Canadian FMIs may consider developing orderly wind-down plans for non-critical services in the context of recovery if winding down non-critical services could assist in or benefit the recovery of the FMI.

Annex: Guidelines on the Practical Aspects of FMI Recovery Plans

The following example provides suggestions on how an FMI recovery plan could be organized.

[25] Recovery Report, Paragraph 2.2.2.


Critical Services
Identify critical services, following guidance on factors to consider.
Risks faced by the FMI
Identify types of risks the FMI is exposed to.
Stress Scenarios
For each type of risk, identify stress scenario(s).
For each scenario, explain where existing risk management tools have become insufficient to cover losses or liquidity shortfalls, thereby necessitating the use of recovery tools.
Trigger
For each stress scenario, identify the trigger to enter recovery.
Recovery Tools
Provide an assessment of recovery tools, including how each tool will address uncovered losses, liquidity shortfalls and capital inadequacies.
Structural Weakness
Identify and address structural weaknesses, including underlying issues that must be addressed to ensure the FMI can remain a going concern post-recovery.
Structural weakness can be caused by factors such as poor business strategy (including unsuitable cost or fee structures), poor investment or custody policy, poor organizational structure and internal control, and other internal factors unrelated to participant default (see Recovery Report 2.4.11).

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Advanced Education Savings Plan
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated November 25, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Global RESP Corporation
Promoter(s):
Global Educational Trust Foundation
Project #2390893

Issuer Name:
Aphria Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated November 24, 2015
NP 11-202 Receipt dated November 24, 2015
Offering Price and Description:
$10,000,250.00 - 7,692,500 Units
Price: $1.30 per Unit
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
GMP Securities L.P.
Promoter(s):
Cole Cacciavillani
John Cervini
Project #2418205

Issuer Name:
BCE Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated November 26, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
$750,294,000 - 13,140,000 Common Shares
Price: $57.10 per Offered Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Barclays Capital Canada Inc.
Citigroup Global Markets Canada Inc.
Desjardins Securities Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
J.P. Morgan Securities Canada Inc.
Morgan Stanley Canada Limited
Credit Suisse Securities (Canada) Inc.
Goldman Sachs Canada Inc.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #2419832

Issuer Name:
Lysander-Roundtable Low Volatility Equity Fund
Lysander-Triasima All Country Equity Fund
Lysander-Triasima Balanced Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated November 24, 2015
NP 11-202 Receipt dated November 25, 2015
Offering Price and Description:
Series A, Series F and Series O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lysander Funds Limited
Project #2420257

Issuer Name:
NEI Conservative Yield Portfolio
NEI Environmental Leaders Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated November 25, 2015
NP 11-202 Receipt dated November 25, 2015
Offering Price and Description:
Series A, F, I, P and PF Units
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments L.P.
Project #2420816

Issuer Name:
NexGen Energy Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 24, 2015
NP 11-202 Receipt dated November 24, 2015
Offering Price and Description:
$20,000,000.00 - 31,250,000 Common Shares
Price: $0.64 per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
TD Securities Inc.
Cantor Fitzgerald Canada Corporation
Raymond James Ltd.
Haywood Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #2420344

Issuer Name:
ORTHO REGENERATIVE TECHNOLOGIES INC.
Principal Regulator - Quebec
Type and Date:
Preliminary Long Form Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 24, 2015
Offering Price and Description:
Distribution by Manitex Capital Inc. as a Dividend-in-Kind of 1,256,127 Class “A” Common Shares of Ortho Regenerative Technologies Inc.
Underwriter(s) or Distributor(s):
-
Promoter(s):
Manitex Capital Inc.
Project #2419728

Issuer Name:
Perpetual Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
$25,000,000.00 - Rights to Acquire Common Shares at a Price of
$0.1630 per Right
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2419775

Issuer Name:
Sun Life Granite Tactical Completion Fund
Sun Life MFS Low Volatility Global Equity Fund
Sun Life MFS Low Volatility International Equity Fund
Sun Life Templeton Global Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated November 26, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
Series A, T5, T8, E, I, F and O Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sun Life Global Investment (Canada) Inc.
Project #2421596

Issuer Name:
Therapure Biopharma Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
$* - * Common Shares
Price: $* per Offered Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2421194

Issuer Name:
VidWRX Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
$1,020,000.00 - 7,200,000 Common Shares and 7,200,000 Warrants Issuable on Exercise of 7,200,000 Special Warrants
Price: $0.10 per Special Warrant; and
3,750,000 Common Shares and 3,750,000 Warrants Issuable on Exercise of 3,750,000 Special Warrants
Price: $0.08 per Special Warrant; and
* Common Shares in connection with a debt settlement transaction
Underwriter(s) or Distributor(s):
Euro Pacific Canada Inc.
Promoter(s):
George Fleming
Project #2419771

Issuer Name:
Winston Gold Mining Corp.
Principal Regulator - Manitoba
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated November 26, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
Minimum Offering: $550,000.00 - 5,500,000 Class A Common Shares
Maximum Offering: $700,000.00 -7,000,000 Class A Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
Murray Nye
Max Polinsky
Project #2390900

Issuer Name:
Amaya Inc.
Principal Regulator - Quebec
Type and Date:
Final Base Shelf Prospectus dated November 30, 2015
NP 11-202 Receipt dated November 30, 2015
Offering Price and Description:
US$3,000,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2413983

Issuer Name:
Select International Equity Managed Corporate Class (Class A, E, EF, F, I, O, V, W, Y, and Z shares)
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated November 9, 2015 to the Simplified Prospectus and Annual Information Form dated July 29, 2015
NP 11-202 Receipt dated November 25, 2015
Offering Price and Description:
Select International Equity Managed Corporate Class (Class A, E, EF, F, I, O, V, W, Y, and Z shares)
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2359507

Issuer Name:
BTB Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated November 27, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
$25,000,000.00 Aggregate Principal Amount - SERIES F7.15% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Raymond James Ltd.
Laurentian Bank Securities Inc.
Raymond James Ltd.
TD Securities Inc.
Euro Pacific Canada Inc.
GMP Securities L.P.
Scotia Capital Inc.
Promoter(s):
-
Project #2417097

Issuer Name:
International Bond Fund (CLI) (Series R)
Global Monthly Income Fund (London Capital) (Quadrus series, D5 Series, H series, H5 series,
L series, L5 series, N series and N5 series)
U.S. Dividend Fund (GWLIM) (Series R)
Global Infrastructure Equity Fund (London Capital) (Quadrus series, D5 Series, H series, H5
series, L series, L5 series, N series and N5 series)
Global Dividend Fund (Setanta) (Series R)
Canadian Dividend Class (Laketon) (Quadrus series, D5 Series, H series, H5 series, L series, L5
series, N series, N5 series and Series R)
(Class of shares of Multi-Class Investment Corp.)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 27, 2015
NP 11-202 Receipt dated November 30, 2015
Offering Price and Description:
Quadrus series, D5 Series, H series, H5 series, L series, L5 series, N series and N5 series securities
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
MACKENZIE FINANCIAL CORPORATION
Project #2404409

Issuer Name:
International Equity Growth Pool (Class A, E, F, I, and W units)
International Equity Growth Corporate Class (Class A, E, ET8, F, I, IT8, W and WT8 shares)
International Equity Alpha Corporate Class (Class A, E, ET8, F, I, IT8, W and WT8 shares)Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 9, 2015 to the Simplified Prospectuses and Annual Information Form dated July 29, 2015
NP 11-202 Receipt dated November 25, 2015
Offering Price and Description:
Class A, E, F, I, and W units
Class A, E, ET8, F, I, IT8, W and WT8 shares
Underwriter(s) or Distributor(s):
Assante Capital Management Ltd.
Assante Financial Management Ltd.

Promoter(s):
CI Investments Inc.
Project #2359209

Issuer Name:
Canoe Enhanced Income Fund (Series A, F, FH, FX, H, I)
Canoe Global Income Fund (Series A, AX, AY, F, FH, FX, FY, H, I, O, X)
Canoe Strategic High Yield Fund (Series A, AX, F, FX, H, I)
Canoe Canadian Monthly Income Class (Series A, F, F6 and T6)*
Canoe Canadian Asset Allocation Class (Series A, F, F6, T6, Z)*
Canoe North American Monthly Income Class (Series A, AX, F, FH, FX, H, HX, X, Z)*
Canoe Equity Income Class (Series A, AX, F, FX, H, X, Y, Z)*
Canoe Global Equity Income Class (Series A, AX, AY, F, FX, FY, H, I, X, XX)*
* each a class of Canoe 'GO CANADA!' Fund Corp.
Principal Regulator - Alberta
Type and Date:
Amendment #1 dated October 30, 2015 to the Simplified Prospectuses and Annual Information Form dated July 27, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Canoe Financial Corp.
Project #2362875

Issuer Name:
CO2 Solutions Inc.
Principal Regulator - Quebec
Type and Date:
Final Base Shelf Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
$20,000,000.00
Common Shares
Subscription Receipts
Debt Securities
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2412826

Issuer Name:
Dynamic Blue Chip Balanced Fund (Series A, F, FT, G, I, O and T units)
Dynamic Blue Chip Equity Fund (Series A, E, F, FI, G, I and O units)
Dynamic Global Balanced Fund (Series A, E, F, FH, FI, H, I, O and T units)
Dynamic Global Equity Fund (Series A, E, F, FH, FI, H, I and O units)
Dynamic Dividend Fund (Series A, F, G, IT, O and T units)
Dynamic Dividend Income Fund (Series A, F, G, I, O and T units)
Dynamic Equity Income Fund (Series A, F, G, I, O and T units)
Dynamic Small Business Fund (Series A, F, G, I, IP, O and OP units)
Dynamic Strategic Yield Fund (Series A, E, F, FH, FI, G, H, I and O units)
Dynamic Advantage Bond Fund (Series A, E, F, FH, FI, G, H, I and O units)
Dynamic Canadian Bond Fund (Series A, F, FI, G, I and O units)
Dynamic Corporate Bond Strategies Fund (Series A, E, F, FH, FI, H, I and O units)
Dynamic Credit Spectrum Fund (Series A, E, F, FH, FI, H, I and O units)
Dynamic High Yield Bond Fund (Series A, F, FH, FI, FP, G, H, I, O, OP and P units)
Dynamic Investment Grade Floating Rate Fund (Series A, E, F, FH, FI, H, I and O units)
Dynamic Money Market Fund (Series A and F units)
Dynamic Short Term Bond Fund (Series A, F, FH, FI, H, I and O units)
Dynamic Strategic Bond Fund (Series A, F, FH, H, I, O and OP units)
Dynamic Power American Currency Neutral Fund (Series A, F, FI, I and O units)
Dynamic Power American Growth Fund (Series A, F, IP, O, OP and T units)
Dynamic Power Balanced Fund (Series A, F, FT, G, I, O, OP and T units)
Dynamic Power Canadian Growth Fund (Series A, F, FI, G, I, IP, O, OP and T units)
Dynamic Power Global Growth Fund (Series O and OP units)
Dynamic Power Small Cap Fund (Series A, F, FI, G, I and O units)
Dynamic Alternative Yield Fund (Series A, E, F, FH, FI, H, I, IP, O and OP units)
Dynamic Diversified Real Asset Fund (Series A, F, G, I, O and T units)
Dynamic Dollar-Cost Averaging Fund (Series A and F units)
Dynamic Energy Income Fund (Series A, F, FI, G, I, IP, O, OP and T units)
Dynamic Financial Services Fund (Series A, F, G, I, O and T units)
Dynamic Global Infrastructure Fund (Series A, E, F, FI, I, O and T units)
Dynamic Global Real Estate Fund (Series A, E, F, I, IP, O, OP and T units)
Dynamic Precious Metals Fund (Series A, F, G, I and O units)

Dynamic Premium Yield Fund (Series A, E, F, FH, FI, H, I, IP and O units)
Dynamic Resource Fund (Series A, E, F, FI, G, I, IP, O and OP units)
Dynamic Strategic Growth Portfolio (Series A, F, G and I units)
Dynamic Strategic Income Portfolio (Series A, E, F and I units)
Dynamic American Value Fund (Series A, F, FH, FI, G, H, I, O and T units)
Dynamic Canadian Dividend Fund (Series A, F, G, I and O units)
Dynamic Dividend Advantage Fund (Series A, F, FT, IT, O and T units)
Dynamic European Value Fund (Series A, F, I and O units)
Dynamic Far East Value Fund (Series A, F, I, IP, O and OP units)
Dynamic Global Asset Allocation Fund (Series A, E, F, FT, I, O and T units)
Dynamic Global Discovery Fund (Series A, F, FI, G, I, O and T units)
Dynamic Global Dividend Fund (Series A, E, F, FI, FT, G, I, IT, O and T units)
Dynamic Global Value Fund (Series A, F, FI, G, I, IT, O and T units)
Dynamic U.S. Dividend Advantage Fund (Series A, E, F, FH, FI, H, I, O and T units)
Dynamic U.S. Monthly Income Fund (Series A, E, F, FH, FI, H, I and O units)
Dynamic Value Balanced Fund (Series A, E, F, FI, FT, G, I, O and T units)
Dynamic Value Fund of Canada (Series A, F, FI, G, I, O and T units)
DynamicEdge Balanced Growth Portfolio (Series A, F, FT, G, I, IT, O and T units)
DynamicEdge Balanced Portfolio (Series A, F, FT, G, I, IT, O and T units)
DynamicEdge Defensive Portfolio (Series A, E, F, I and O units)
DynamicEdge Equity Portfolio (Series A, F, FT, G, I, IT, O and T units)
DynamicEdge Growth Portfolio (Series A, F, FT, G, I, IT, O and T units)
Dynamic Aurion Total Return Bond Fund (Series A, E, F, FH, FI, G, H, I and O units)
Dynamic Blue Chip U.S. Balanced Class* (Series A, E, F, FH, FI, H, I*, O and T shares)
Dynamic Dividend Income Class* (Series A, E, F, I, O and T shares)
Dynamic Preferred Yield Class* (Series A, E, F, FH, FI, H, I and O shares)
Dynamic Strategic Yield Class* (Series A, E, F, FH, FI, FT, G, H, I, IT and T shares)
Dynamic Advantage Bond Class* (Series A, E, F, FH, FT, H, I, IT and T shares)
Dynamic Corporate Bond Strategies Class* (Series A, E, F, H, I and T shares)
Dynamic Money Market Class* (Series C and F shares)
Dynamic Power American Growth Class* (Series A, F, IP, O, OP and T shares)
Dynamic Power Balanced Class* (Series A, F, FT, G, I, IP, IT, O, OP and T shares)
Dynamic Power Canadian Growth Class* (Series A, E, F, G, I, IP, O, OP and T shares)
Dynamic Power Global Balanced Class* (Series A, F, IP, O, OP and T shares)
Dynamic Power Global Growth Class* (Series A, F, G, IP, O, OP and T shares)
Dynamic Power Global Navigator Class* (Series A, E, F, FI, I, IP, O, OP and T shares)
Dynamic Power Managed Growth Class* (Series A, F, I, IP, O, OP and T shares)
Dynamic American Value Class* (Series A, E, F, I, O and T shares)
Dynamic Canadian Value Class* (Series A, E, F, G, I, IP, O, OP and T shares)
Dynamic Dividend Advantage Class* (Series A, E, F, FH, FI, FT, H, I, O and T shares)
Dynamic EAFE Value Class* (Series A, F, I, O and T shares)
Dynamic Emerging Markets Class* (Series A, F, I, IP and OP shares)
Dynamic Global Asset Allocation Class* (Series A, E, F, I, O and T shares)
Dynamic Global Discovery Class* (Series A, E, F, I, O and T shares)
Dynamic Global Dividend Class* (Series A, E, F, FT, I, O and T shares)
Dynamic Global Value Class* (Series A, E, F, I, IP, O, OP and T shares)
Dynamic Income Growth Opportunities Class* (Series A, E, F, I, O and T shares)
Dynamic Value Balanced Class* (Series A, E, F, FT, G, I, IT, O and T shares)
Dynamic Alternative Yield Class* (Series A, E, F, FH, FT, H, IP and T shares)
Dynamic Strategic Energy Class* (Series A, F, I, IP, O, OP and T shares)
Dynamic Strategic Gold Class* (Series A, E, F, FI, G, I and O shares)
Dynamic Strategic Resource Class* (Series A, F, I, IP and OP shares)
Dynamic U.S. Sector Focus Class* (Series A, F, I and O shares)
DynamicEdge Balanced Class Portfolio* (Series A, E, F, FT, G, I, IT, O and T shares)
DynamicEdge Balanced Growth Class Portfolio* (Series A, E, F, FT, G, I, IT, O and T shares)
DynamicEdge Conservative Class Portfolio* (Series A, E, F, I, O and T shares)
DynamicEdge Equity Class Portfolio* (Series A, E, F, FT, I, IT, O and T shares)
DynamicEdge Growth Class Portfolio* (Series A, E, F, FT, I, IT, O and T shares)
Dynamic Aurion Tactical Balanced Class* (Series A, E, F, FT, I, O and T shares)
Dynamic Aurion Total Return Bond Class* (Series A, E, F, FH, FT, H, I, IT and T shares)
DMP Power Global Growth Class** (Series A and F shares)
DMP Resource Class** (Series A, F and G shares)
DMP Value Balanced Class** (Series A and F shares)
* Each is a class of Dynamic Global Fund Corporation
** Each is a class of Dynamic Managed Portfolios Ltd.
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated November 18, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
Promoter(s):
-
Project #2405037

Issuer Name:
Dynamic Alternative Investments Private Pool Class
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated November 13, 2015 to the Simplified Prospectus and Annual Information Form dated May 15, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
Series F, FH, FT and O shares
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 ASSET MANAGEMENT L.P.,
Project #2333961

Issuer Name:
EPCOR Utilities Inc.
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated November 27, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
$1,000,000,000.00 - Medium Term Note Debentures (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #2419095

Issuer Name:
Financial 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated November 26, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
$58,131,470 - 3,335,474 Preferred Shares @ $10/Preferred Share and 2,502,700 Class A Shares @ $9.90/Class A Shares
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2418589

Issuer Name:
Franco-Nevada Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated November 27, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
US$1,000,000,000.00
Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2417208

Issuer Name:
Gear Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
$9,000,000.00 - 12,000,000 Common Shares
Price: $0.75 per Offered Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Peters & Co. Limited
FirstEnergy Capital Corp.
National Bank Financial Inc.
AltaCorp Capital Inc.
Promoter(s):
-
Project #2414278

Issuer Name:
iShares Alternatives Completion Portfolio Builder Fund
iShares Conservative Core Portfolio Builder Fund
iShares Global Completion Portfolio Builder Fund
iShares Growth Core Portfolio Builder Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 20, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
units
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #2405960

Issuer Name:
Lysander TDV Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated November 20, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
Series A, D and F units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lysander Funds Limited
Project #2397773

Issuer Name:
Mackenzie Canadian Money Market Fund (Series LB and LP securities)
Mackenzie Canadian Bond Fund (only offers Series LB securities)
Mackenzie Canadian Short Term Income Fund (only offers Series LB securities)
Mackenzie Corporate Bond Fund (only offers Series LB securities)
Mackenzie Strategic Bond Fund (only offers Series LB securities)
Mackenzie Income Fund (only offers Series LB securities)
Mackenzie Strategic Income Fund (Series LB and LX securities)
Mackenzie Ivy Canadian Fund (only offers Series LB securities)
Mackenzie Cundill Recovery Fund (only offers Series LB securities)
Mackenzie Global Dividend Fund (only offers Series LB securities)
Mackenzie International Growth Fund (only offers Series LB securities)
Mackenzie Canadian Resource Fund (only offers Series LB securities)
Symmetry Fixed Income Portfolio (Series LB, LM and LX securities)
Symmetry Conservative Income Portfolio (Series LB, LM and LX securities)
Symmetry Conservative Portfolio (Series LB, LM and LX securities)
Symmetry Balanced Portfolio (Series LB, LM and LX securities)
Symmetry Moderate Growth Portfolio (Series LB, LM and LX securities)
Symmetry Growth Portfolio (Series LB, LM and LX securities)
Mackenzie Canadian Money Market Class* (only offers Series LB securities)
Mackenzie Strategic Income Class* (Series LB and LX securities)
Mackenzie Canadian All Cap Dividend Class* (Series LB and LX securities)
Mackenzie Canadian All Cap Value Class* (only offers Series LB securities)
Mackenzie Canadian Small Cap Value Class* (only offers Series LB securities)
Mackenzie US Mid Cap Growth Class* (only offers Series LB securities)
Mackenzie Global Diversified Equity Class* (only offers Series LB securities)
Mackenzie Global Growth Class* (only offers Series LB securities)
Symmetry Conservative Income Portfolio Class* (Series LB, LM and LX securities)
Symmetry Conservative Portfolio Class* (Series LB, LM and LX securities)
Symmetry Balanced Portfolio Class* (Series LB, LM and LX securities)
Symmetry Moderate Growth Portfolio Class* (Series LB and LM securities)
Symmetry Growth Portfolio Class* (Series LB and LM securities)

Symmetry Equity Portfolio Class* (Series LB, LM and LX securities)
(*each a class of Mackenzie Financial Capital Corporation)

Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 26, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
Series LB, Series LM, Series LP and/or Series LX securities @ Net Asset Value
Underwriter(s) or Distributor(s):
LBC Financial Services Inc.
Promoter(s):
Mackenzie Financial Corporation
Project #2404100

Issuer Name:
Mackenzie Private Canadian Money Market Pool (Series PW, PWF and PWX)
Mackenzie Private Global Fixed Income Pool (Series PW, PWF, PWX, PWT5, PWF5 and PWX5)
Mackenzie Private Income Balanced Pool (Series PW, PWF and PWX) (formerly, Mackenzie Private Canadian Income Balanced Pool)
Mackenzie Private Global Conservative Income Balanced Pool (Series PW, PWF and PWX)
Mackenzie Private Global Income Balanced Pool (Series PW, PWF and PWX)
Mackenzie Private Canadian Focused Equity Pool (Series PW, PWF, PWX, PWT5, PWF5 and PWX5)
Mackenzie Private US Equity Pool (Series PW, PWF, PWX, PWT5, PWF5 and PWX5)
Mackenzie Private Global Equity Pool (Series PW, PWF, PWX, PWT5, PWF5 and PWX5)
Mackenzie Private Income Balanced Pool Class (Series PW and PWF)* (formerly, Mackenzie Private Canadian Income Balanced Pool Class)
Mackenzie Private Canadian Focused Equity Pool Class (Series PW, PWF, PWT5 and PWF5)*
Mackenzie Private US Equity Pool Class (Series PW, PWF, PWT5 and PWF5)*
Mackenzie Private Global Equity Pool Class (Series PW, PWF, PWT5 and PWF5)*
*(A class of Mackenzie Financial Capital Corporation)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 20, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
Series PW, PWF, PWX, PWT5, PWF5 and PWX5
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #2399699

Issuer Name:
Manulife Canadian Monthly Income Fund (Advisor Series, Series D, Series F, Series I, Series T8 and Series FT8 securities)
Manulife Canadian Monthly Income Class* (Advisor Series, Series F, Series I, Series T8 and Series FT8 securities)
Manulife Canadian Dividend Income Class* (Advisor Series and Series F securities)
Manulife Canadian Dividend Growth Class* (Advisor Series and Series F securities)
Manulife Global Dividend Growth Class* (Advisor Series and Series F securities)
Manulife Global Equity Unconstrained Fund (Advisor Series, Series D, Series F, Series I, Series T6 and Series FT6 securities)
Manulife Global Equity Unconstrained Class* (Advisor Series, Series F, Series I, Series T6, and Series FT6 securities)
Manulife Emerging Markets Class* (Advisor Series and Series F securities)
Manulife Portrait Growth Portfolio Class* (Advisor Series and Series F securities)
Manulife Portrait Dividend Growth & Income Portfolio Class* (Advisor Series and Series F securities)
*shares of Manulife Investment Exchange Funds Corp.
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 23, 2015 to the Simplified Prospectuses and Annual Information Form dated November 9, 2015
NP 11-202 Receipt dated November 30, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Manulife Asset Management Investments Inc.
Promoter(s):
Manulife Asset Management Limited
Project #2393585

Issuer Name:
Marquis Institutional Balanced Growth Portfolio (Series A, F, G, I, T and V securities)
Marquis Institutional Balanced Portfolio (Series A, F, G, I, T and V securities)
Marquis Institutional Bond Portfolio (Series A, F, I, O and V securities)
Marquis Institutional Canadian Equity Portfolio (Series A, F, I, O, T and V securities)
Marquis Institutional Equity Portfolio (Series A, F, I, T and V securities)
Marquis Institutional Global Equity Portfolio (Series A, F, I, O, T and V securities)
Marquis Institutional Growth Portfolio (Series A, F, I, T and V securities)
Marquis Balanced Growth Portfolio (Series A, F, I and T securities)
Marquis Balanced Income Portfolio (Series A, E, F and I securities)
Marquis Balanced Portfolio (Series A, F, G, I and T securities)
Marquis Equity Portfolio (Series A, E, F, I and T securities)
Marquis Growth Portfolio (Series A, E, F, G, I and T securities)
Marquis Balanced Class Portfolio (Series A, E, F, I and T securities)
Marquis Balanced Growth Class Portfolio (Series A, E, F, I and T securities)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 25, 2015
NP 11-202 Receipt dated November 27, 2015
Offering Price and Description:
Series A, E, F, G, I, O, T and V securities
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2404600

Issuer Name:
Next Edge Bio-Tech Plus Fund
Next Edge Theta Yield Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 24, 2015
NP 11-202 Receipt dated November 25, 2015
Offering Price and Description:
Class A and Class F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Next Edge Capital Corp.
Project #2410105

Issuer Name:
Nurcapital Corporation Ltd.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated November 26, 2015
NP 11-202 Receipt dated November 30, 2015
Offering Price and Description:
Minimum Offering: $400,000.00 - 2,000,000 Common Shares
Maximum Offering: $1,995,000.00 - 9,975,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
All Group Financial Services Inc.
Promoter(s):
Salim Ansari
Project #2414237

Issuer Name:
Pine Cliff Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated November 23, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
$59,999,400.00
55,555,000 Subscription Receipts
Price: $1.08 per Subscription Receipt
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Clarus Securities Inc.
Canaccord Genuity Corp.
National Bank Financial Inc.
Paradigm Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.
Firstenergy Capital Corp.
GMP Securities L.P.
Altacorp Capital Inc.
Dundee Securities Ltd.
Scotia Capital Inc.
Promoter(s):
-
Project #2413715

Issuer Name:
Primerica Balanced Yield Fund (formerly Primerica Conservative Growth Fund)
Primerica Canadian Balanced Growth Fund (formerly Primerica Growth Fund)
Primerica Canadian Money Market Fund
Primerica Global Balanced Growth Fund (formerly Primerica Moderate Growth Fund)
Primerica Global Equity Fund (formerly Primerica Aggressive Growth Fund)
Primerica Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 20, 2015
NP 11-202 Receipt dated November 23, 2015
Offering Price and Description:
Mutual fund securities at net asset value
Underwriter(s) or Distributor(s):
PFSL Investments Canada Ltd.
Promoter(s):
-
Project #2406639

Issuer Name:
RG One Corp.
Principal Regulator - Ontario
Type and Date:
Amended and Restated CPC Prospectus dated November 18, 2015
NP 11-202 Receipt dated November 24, 2015
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
M Partners Inc.
Promoter(s):
-
Project #2381281

Issuer Name:

[CORRECTED COPY]

Standard Life Money Market Fund (Advisor Series and Series F)
Standard Life Short Term Bond Fund (Advisor Series and Series F)
Standard Life Short Term Yield Class* (Advisor Series)
Standard Life Canadian Bond Fund (Advisor Series and Series F)
Standard Life Tactical Bond Fund (Advisor Series and Series F)
Manulife Canadian Corporate Bond Fund (Advisor Series, Series F, Series I and Series T6)
(formerly Standard Life Corporate Bond Fund)
Standard Life Global Bond Fund (Advisor Series and Series F)
Standard Life High Yield Bond Fund (Advisor Series and Series F)
Standard Life Emerging Markets Debt Fund (Advisor Series and Series F)
Manulife Conservative Income Fund (Advisor Series, Series F and Series I)
(formerly Standard Life Diversified Income Fund)
Manulife Canadian Monthly Income Fund (Advisor Series, Series D, Series F, Series I and Series T8)
(formerly Standard Life Monthly Income Fund)
Manulife Canadian Monthly Income Class* (Advisor Series)
(formerly Standard Life Monthly Income Class)
Manulife Canadian Dividend Income Fund (Advisor Series, Series F and Series I)
(formerly Standard Life Dividend Income Fund)
Manulife Canadian Dividend Income Class* (Advisor Series)
(formerly Standard Life Dividend Income Class)
Manulife Tactical Income Fund (Advisor Series, Series F, Series I and Series T8)
(formerly Standard Life Tactical Income Fund)
Standard Life Balanced Fund (Advisor Series and Series F)
Manulife Unhedged U.S. Monthly High Income Fund (Advisor Series, Series F, Series I and Series T8)
(formerly Standard Life U.S. Monthly Income Fund)
Manulife Canadian Dividend Growth Fund (Advisor Series, Series F, Series I and Series T8)
(formerly Standard Life Canadian Dividend Growth Fund)
Manulife Canadian Dividend Growth Class* (Advisor Series)
(formerly Standard Life Canadian Dividend Growth Class)
Standard Life Canadian Equity Value Fund (Advisor Series and Series F)
Standard Life Canadian Equity Fund (Advisor Series and Series F)
Standard Life Canadian Equity Growth Fund (Advisor Series and Series F)
Standard Life Canadian Small Cap Fund (Advisor Series and Series F)
Manulife U.S. Dividend Income Fund (Advisor Series and Series F)
(formerly Standard Life U.S. Dividend Growth Fund)

Standard Life U.S. Equity Value Fund (Advisor Series and Series F)
Standard Life U.S. Equity Value Class* (Advisor Series)
Manulife Global Dividend Growth Fund (Advisor Series, Series F, Series I and Series T8)
(formerly Standard Life Global Dividend Growth Fund)
Manulife Global Dividend Growth Class* (Advisor Series)
(formerly Standard Life Global Dividend Growth Class)
Standard Life International Equity Fund (Advisor Series and Series F)
Standard Life Global Equity Value Fund (Advisor Series and Series F)
Manulife Global Equity Unconstrained Fund (Advisor Series, Series D, Series F and Series I)
(formerly Standard Life Global Equity Fund)
Manulife Global Equity Unconstrained Class* (Advisor Series)
(formerly Standard Life Global Equity Class)
Manulife Global Real Estate Unconstrained Fund (Advisor Series, Series D, Series F, Series I
and Series T8)
(formerly Standard Life Global Real Estate Fund)
Standard Life European Equity Fund (Advisor Series and Series F)
Manulife Emerging Markets Fund (Advisor Series, Series D, Series F and Series I)
(formerly Standard Life Emerging Markets Dividend Fund)
Manulife Emerging Markets Class* (Advisor Series)
(formerly Standard Life Emerging Markets Dividend Class)
Manulife Portrait Conservative Portfolio (Advisor Series, Series F, Series I and Series T5)
(formerly Standard Life Conservative Portfolio)
Standard Life Conservative Portfolio Class* (Advisor Series)
Manulife Portrait Moderate Portfolio (Advisor Series, Series F, Series I and Series T6)
(formerly Standard Life Moderate Portfolio)
Standard Life Moderate Portfolio Class* (Advisor Series)
Manulife Portrait Growth Portfolio (Advisor Series, Series F, Series I and Series T7)
(formerly Standard Life Growth Portfolio)
Manulife Portrait Growth Portfolio Class* (Advisor Series)
(formerly Standard Life Growth Portfolio Class)
Manulife Portrait Dividend Growth & Income Portfolio (Advisor Series, Series F, Series I and
Series T8)
(formerly Standard Life Dividend Growth & Income Portfolio)
Manulife Portrait Dividend Growth & Income Portfolio Class* (Advisor Series)
(formerly Standard Life Dividend Growth & Income Portfolio Class)
Manulife Portrait Aggressive Portfolio (Advisor Series, Series F, Series I and Series T8)
(formerly Standard Life Aggressive Portfolio)
*Shares of Standard Life Corporate Class Inc.Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 9, 2015
NP 11-202 Receipt dated November 13, 2015
Offering Price and Description:
ADVISOR SERIES, SERIES D, SERIES F, SERIES I, SERIES T5 (FORMERLY T-SERIES), SERIES T6 (FORMERLY T-SERIES), SERIES T7 AND SERIES T8 SECURITIES
Underwriter(s) or Distributor(s):
Manulife Asset Management Investments Inc.
Promoter(s):
Manulife Asset Management Limited
Project #2393585

Issuer Name:
TransCanada PipeLines Limited
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated November 26, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
$2,000,000,000.00 - Medium Term Note Debentures (Unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #2418746

Issuer Name:
U.S. Banks Income & Growth Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated November 25, 2015
NP 11-202 Receipt dated November 26, 2015
Offering Price and Description:
Maximum: $100,000,000 - 10,000,000 Class A and T Units @ $10 per Unit
Minimum: $20,000,000 - 2,000,000 Class A and T Units @ $10 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Manulife Securities Incorporated
Desjardins Securities Inc.
Dundee Securities Ltd.
Global Securities Corporation
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
PI Financial Corp.
Promoter(s):
National Bank Financial Inc.
Purpose Investments Inc.
Project #2409899

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Lee, Turner & Associates Inc.	Portfolio Manager	November 26, 2015
New Registration	Lumen Asset Management Inc.	Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	November 26, 2015
Name Change	From: Pyramis Global Advisors, LLC To: FIAM LLC	Portfolio Manager and Commodity Trading Manager	November 20, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3 Clearing Agencies

13.3.1 Technical Amendments to CDS Procedures – New Electronic Alert Service Notification for Cash Tender Reject due to Lack of Funds/Aggregate Collateral Value – Notice of Effective Date

NOTICE OF EFFECTIVE DATE

**TECHNICAL AMENDMENTS TO
CDS PROCEDURES: NEW ELECTRONIC ALERT SERVICE (EAS)
NOTIFICATION FOR CASH TENDER REJECT DUE TO
LACK OF FUNDS/AGGREGATE COLLATERAL VALUE (ACV)**

The Ontario Securities Commission is publishing *Notice of Effective Date – Technical Amendments to CDS Procedures – New Electronic Alert Service notification for Cash Tender Reject due to lack of Funds/Aggregate Collateral Value*. The CDS procedure amendments were reviewed and approved by CDS's strategic development review committee (SDRC) on November 5, 2015. CDS has determined that these amendments will become effective on December 1, 2015.

A copy of the CDS notice on our website http://www.osc.gov.on.ca.

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2 Wongs Make It Right Enterprises Ltd.
Notice from the Office of the Secretary 10028
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Agueci, Eda Marie
Notice from the Office of the Secretary 10026
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Arrow Capital Management Inc.
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Black Panther Trading Corporation
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Boyuan Construction Group, Inc.
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