

The Ontario Securities Commission

OSC Bulletin

December 17, 2015

Volume 38, Issue 50

(2015), 38 OSCB

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

The Ontario Securities Commission

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Published under the authority of the Commission by:

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Outside North America	\$12 per issue

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 OSC Staff Notice 13-706 Sedar Filer Manual Update

OSC STAFF NOTICE 13-706 SEDAR FILER MANUAL UPDATE

Introduction

National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* incorporates by reference the *SEDAR Filer Manual* (the Manual). The Manual has been updated a number of times, most recently in 2014. Staff of the Ontario Securities Commission are issuing this Notice to inform users that a new version of the Manual is available on SEDAR.com.

Manual Version 8.054

The new version of the Manual provides updated and new guidance related to the filing of certain exempt market documents on SEDAR in CSA jurisdictions other than Ontario and British Columbia. In Ontario, these exempt market documents are **required to be** submitted electronically through the electronic filing portal on the OSC website at: <https://www.osc.gov.on.ca/filings>. For further information, please refer to the Multilateral CSA Notice of Amendments to National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* and Multilateral Instrument 13-102 *System Fees for SEDAR and NRD* issued December 3, 2015.

The version number of the Manual is 8.054, to correspond with the most current SEDAR release, SEDAR version 8.054, implemented on December 7, 2015.

For more information

Please contact the CSA Service Desk at 1-800-219-5381.

1.1.2 The Investment Funds Practitioner – December 2015

OSC

THE INVESTMENT FUNDS PRACTITIONER

From the Investment Funds and Structured Products Branch, Ontario Securities Commission

WHAT IS THE INVESTMENT FUNDS PRACTITIONER?

The Practitioner is an overview of recent issues arising from applications for discretionary relief, prospectuses, and continuous disclosure documents that investment funds file with the OSC. It is intended to assist investment fund managers and their staff or advisors who regularly prepare public disclosure documents and applications for exemptive relief on behalf of investment funds.

The Practitioner is also intended to make you more broadly aware of some of the issues we have raised in connection with our reviews of documents filed with us and how we have resolved them. We hope that fund managers and their advisors will find this information useful and that the Practitioner can serve as a useful resource when preparing applications and disclosure documents.

The information contained in the Practitioner is based on particular factual circumstances. Outcomes may differ as facts change or as regulatory approaches evolve. We will continue to assess each case on its own merits.

The Practitioner has been prepared by staff of the Investment Funds and Structured Products Branch and the views it expresses do not necessarily reflect the views of the Commission or the Canadian Securities Administrators.

REQUEST FOR FEEDBACK

This is the 16th edition of the Practitioner. Previous editions of the Practitioner are available on the OSC website www.osc.gov.on.ca under *Investment Funds & Structured Products* on the *Industry* tab. We welcome your feedback and any suggestions for topics that you would like us to cover in future editions. Please forward your comments by email to investmentfunds@osc.gov.on.ca.

PROSPECTUSES

New Scholarship Plans – Up-Front Commission Structure

Staff have previously raised comments in respect of group scholarship plans that require subscribers to pay up-front commissions to sales representatives. We have recently observed that some plan providers appear to be shifting their focus towards the development of new individual plans with similar features.

Group scholarship plans (**GSPs**) have historically required the up-front payment of sales commissions to sales representatives who sell them. Currently, most plan providers require 100% of a subscriber's initial contributions to a GSP to be directed to the payment of the sales commission until half of the commission is paid. Subsequently, 50% of the subscriber's contributions are directed to the payment of the sales commission until it is paid in full. This practice only allows for a small portion of a subscriber's initial contributions, if any, to be invested in the plan's actual portfolio investments. Depending on the circumstances, it can take two years or longer before the sales commission is fully paid. Staff have determined to no longer recommend prospectus receipts for new scholarship plans with similar up-front commission structures that lack the ability of a subscriber to receive a refund, in whole or in part, for paid sales commissions in appropriate circumstances.

We recently received a prospectus which proposed to establish a new individual scholarship plan. The plan, however, required subscribers to pay an up-front sales commission without the possibility of any refund should the subscriber withdraw from the plan. Staff indicated that we would not be willing to recommend a prospectus receipt for this plan on the basis that receipting it, without a mechanism to provide for a refund, in whole or in part, of any sales charges to subscribers, would not, in our view, be in the public interest. The prospectus was subsequently withdrawn.

We encourage any scholarship plan providers that are contemplating the creation of new scholarship plans to consult with staff prior to developing new compensation models for their sales representatives.

APPLICATIONS

Relief from Fund Facts Delivery Requirement for Automatic Switching Programs that Facilitate Fee Reductions Based on Client Asset Thresholds

Staff have recently recommended exemptive relief from the Fund Facts delivery requirement in order to facilitate a new automatic switching program. The automatic switching program involves the fund manager, on behalf of investors, initiating automatic switches between a new set of series of funds, with each series offering a different tier of management and administration fees based on the size of an investor's investment, in order to enable investors to immediately benefit from fee discounts for which they become eligible. Each automatic switch involves the redemption of units of one series, immediately followed by the purchase of units of a different series. Each such purchase would be considered a "distribution" as defined in the *Securities Act* (Ontario), which would trigger the fund facts delivery requirement.

The conditions of the decision include (a) prospectus and Fund Facts disclosure of, among other things, (i) the eligibility requirements for the various series and (ii) the rates of the fees applicable, or the fee discounts applicable, to the various series and (b) notification provided to existing and new investors in the relevant series of funds¹.

Issuers and their counsel contemplating the launch of similar automatic switching programs are encouraged to contact staff if there are any questions about the conditions of such relief.

Relief from Financial Statement Filing and Delivery Requirements of NI 81-106 for Pooled Fund on Funds

We continue to receive some applications on behalf of pooled funds (i.e. mutual funds that are not reporting issuers) that act as top funds in fund on fund structures, for exemptive relief from the financial statement filing and delivery deadlines under National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)*. Although there are some past decisions granting this relief, no recent decisions granting similar relief have been issued.

In the past decisions, filers requested relief to accommodate fund on fund arrangements where the bottom fund was established in a foreign jurisdiction and had a different financial statement reporting deadline than the top fund. While there is an exemption in section 2.11 of NI 81-106 available to pooled funds from the requirement to file financial statements, the filers generally submitted that the top funds were unable to comply with the financial statement delivery deadlines in NI 81-106 because the top funds' auditors could not complete their audit until they received audited financial statements of the bottom funds. The decisions granted an extension of the annual financial statement due date to align the top funds' reporting deadlines with those of the bottom funds.

Staff have further considered the issue and hold the view that top fund pooled funds should structure their affairs and set their financial year ends so that they can comply with their obligations under NI 81-106. As a result, going forward, staff are not generally prepared to recommend this type of relief.

CONTINUOUS DISCLOSURE

IFRS for Investment Funds

Last year, staff commenced an issue-oriented continuous disclosure review focusing on the transition to International Financial Reporting Standards (**IFRS**). We reviewed the first IFRS financial statements required to be filed under NI 81-106, which consisted of the interim financial reports of investment funds with calendar year-end reporting periods. In Fall 2014, we issued a number of IFRS Releases, outlining the most common issues identified during the review. IFRS Release No. 4 – *First IFRS Annual Financial Statements – Tips for Year End* published on January 23, 2015 was a tip sheet listing key elements that are required in the first IFRS annual financial statements.

In 2015, we expanded our review by examining a sample of the IFRS audited annual financial statements for investment funds with the financial year ended March 31, 2015. As part of our review, we checked for compliance with the IFRS transition requirements found in NI 81-106. We identified one issue relating to the presentation of financial highlights in the annual management report of fund performance (**MRFP**).

For the first annual MRFP after the transition to IFRS, both the current and immediately preceding financial years in the financial highlights table must present information derived from IFRS because these periods are derived from audited financial statements prepared in accordance with IFRS (see Part B, Item 3.1(7.1)(c) of Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* (the **Form**)). In our review, we noted that one fund manager presented information for the current financial year in IFRS, but used Part V of the CPA Canada Handbook (pre-changeover Canadian GAAP) to

¹ See *In the Matter of Fidelity Investments Canada ULC* dated October 28, 2015.

prepare information for the immediately preceding financial year. In addition, the same manager did not include a footnote to the financial highlights table disclosing the accounting principles applicable to each period (see Part B, Item 3.1(7.1)(d) of the Form).

MRFPs for the next few years will contain financial highlights tables that present information derived from both financial statements prepared in accordance with IFRS and pre-changeover Canadian GAAP. As an example, for investment funds with calendar year-end reporting periods, information in the financial highlights table will be derived from financial statements prepared in accordance with IFRS for 2013, 2014 and all subsequent financial years. For as long as the 2012 financial year is included in the table, both IFRS and pre-changeover Canadian GAAP information will be presented in the table. Accordingly, an explanation of the accounting principles applicable to each period must appear as a footnote to the table until 2017, at which point all financial highlights in the table will be based on the same accounting principle.

For the vast majority of investment funds selected during our review, we did not identify any issues in the IFRS audited annual financial statements and related MRFPs. Given the level of compliance that we have observed in respect of the transition requirements in NI 81-106, staff's view is that the review of the IFRS annual financial statements does not need to be extended.

PROCESS MATTERS

Transition of Investment Funds to Corporate Issuer Status

We have recently seen closed-end investment funds seeking to transition to corporate issuers for various reasons, one of which is to change the investment strategy of the fund to focus on obtaining control of, or becoming involved in, the management of underlying investee companies.

Staff generally take the view that a fund manager's decision to change a fund's operation from investment fund to corporate issuer constitutes a "restructuring" that triggers the requirement for a securityholder vote as contemplated by subparagraph 5.1(1)(h)(iii) of NI 81-102.

Staff's view is that the following disclosure should be provided in the management information circular² for the securityholder meeting:

- financial statements and management's discussion & analysis for the issuer's two most recently completed financial years and most recent interim period prepared in accordance with applicable Canadian securities legislation as if the issuer were a corporate issuer instead of an investment fund;
- a discussion of the key differences between the requirements in securities legislation that apply to an investment fund versus a corporate issuer, for example, the differences in the disclosure requirements; and
- a statement of executive compensation prepared in compliance with Form 51-102F6 *Statement of Executive Compensation*.

Fund managers considering the transition of investment funds they manage to corporate issuers should be mindful of the above requirements and are encouraged to engage staff in the Corporate Finance Branch of the Commission prior to transitioning if their framework for transition raises novel issues outside of the above-noted parameters.

² Refer to section 5.4 of NI 81-102 and Part 12 of NI 81-106 for requirements relevant to the management information circular required for securityholder meetings pursuant to section 5.1 of NI 81-102.

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Zhen (Steven) Pang and Oasis World Trading Inc. – ss. 127(1), 127(2), 127.1

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

AND

**IN THE MATTER OF
ZHEN (STEVEN) PANG and OASIS WORLD TRADING INC.**

**NOTICE OF HEARING
(Subsections 127(1) and 127(2) and 127.1)**

TAKE NOTICE that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127(1) and 127(2) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the offices of the Commission located at 20 Queen Street West, 20th Floor, in the City of Toronto, on December 14, 2015, at 10:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest approve the settlement agreement dated December 10, 2015, between Staff of the Commission and Zhen (Steven) Pang and Oasis World Trading Inc.;

BY REASON OF the allegations set out in the statement of allegations dated December 10, 2015 and such additional allegations as counsel may advise and the Commission may permit;

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

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

AND TAKE FURTHER NOTICE that the Notice of Hearing is also available in French, participation may be in either French or English and participants must notify the Secretary’s Office in writing as soon as possible if the participant is requesting a proceeding to be conducted wholly or partly in French; and

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

DATED at Toronto, this 10th day of December, 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
ZHEN (STEVEN) PANG and OASIS WORLD TRADING INC.**

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

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

A. Overview

1. This is a case of market manipulation. Oasis World Trading Inc. ("Oasis") is in the business of proprietary day trading in Canadian equities. It has approximately 40 branch offices with approximately 200 traders, all of whom are located in China.
2. During a thirteen month period spanning November 2013 to December 2014 (the "Material Time"), certain traders at Oasis engaged in at least 460 instances of manipulative trading on Canadian securities markets. The orders entered by these traders created a false or misleading appearance of market activity which allowed them to trade at artificial prices and as such, constitute a breach a subsection 126.1(1)(a) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").
3. While Zhen (Steven) Pang ("Pang") did not know that certain Oasis traders were engaged in manipulative trading, he ought to have known. Pang, as a director and officer of Oasis, failed to adequately monitor trading activities at Oasis and ensure there was an adequate compliance structure in place to identify and prevent possible manipulative trading, thereby indirectly engaging or participating in an act, practice or course of conduct relating to securities that he ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to section 126.1(1)(a) of the Act.

B. The Respondents

4. Oasis was incorporated under the *Canada Business Corporations Act* on November 23, 2012 as Inspire World Trading Inc. The company changed its name to Oasis on April 11, 2013. Oasis' head office is located in Hamilton, Ontario. Oasis has never been registered with the Commission in any capacity.
5. Pang was an Ontario resident during the Material Time. He founded Oasis in November 2012. During the Material Time, he was the sole officer and director of Oasis. He has never been registered with the Commission in any capacity.
6. Pang traded as a proprietary day trader of U.S. equities for more than five years for a firm. He was also an office manager responsible for overseeing other traders during that period. During the Material Time, Pang was familiar with the Universal Market Integrity Rules ("UMIR") and securities laws with respect to market manipulation.

C. Overview of Trading By Oasis

7. Oasis enters orders and trades on Canadian marketplaces as a direct electronic access ("DEA") client of JitneyTrade Inc. ("JitneyTrade"). JitneyTrade is registered as an Investment Dealer in all provinces and territories of Canada. Oasis began trading using its DEA account at JitneyTrade in April 2013.
8. JitneyTrade is an agency-based discount broker that specializes in providing DEA for active traders. The main source of revenue for JitneyTrade is commissions from trading by its clients.
9. All trading done by Oasis traders is routed through JitneyTrade to the Canadian marketplaces. Traders at Oasis use a proprietary and customized trading platform developed and sourced by a third party.
10. During the Material Time, all of Oasis' order and trade activity at JitneyTrade was placed under one user id and as such, it could not be determined outside of Oasis which trader at Oasis was responsible for any specific order/trade.
11. Oasis traders use the firm's capital to trade. Their compensation and continued trading are based entirely on profits they generate from trading. There are controls in the Oasis trading platform to lock out traders once they lose beyond a

nominal dollar limit per day. Overnight positions are prohibited for traders; all positions must be flattened by the end of the trading day.

12. During the Material Time, Pang determined and allocated the traders' buying power, established loss limits and dictated the profit distribution for managers and traders. He was in charge of the training and oversight of all of Oasis' traders. The branch managers in China were responsible for hiring their own traders at their own expense, subject to final approval by Pang. Pang was also responsible for terminating Oasis traders.

D. Market Manipulation By Certain Oasis Traders

13. During the Material Time, certain Oasis traders engaged in at least 460 incidents of market manipulation, including, but not limited to practices known as intraday spoofing, involving at least 24 different securities.

Intraday Spoofing

14. Intraday spoofing involves the use of non-bona fide orders, or orders that the trader does not intend to have executed, to induce others to buy or sell the security at a price not representative of actual supply or demand. More specifically, a trader places a non-bona fide buy (or sell) order. If that order is followed by another market participant, the trader will then enter a number of non-bona fide buy (or sell) orders for the purpose of attracting interest to that side of the order book. These non-bona fide orders are not intended to be executed. The purpose of these non-bona fide orders is to create a false impression of interest on that side of the order book. The trader will then enter an order for execution on the other side of the market at the better price. Either before or immediately after switching sides to trade, the trader cancels the open, non-bona fide orders and the quote returns to the pre-spoofing level.
15. More specifically, certain Oasis traders engaged in intraday spoofing on certain days in the Material Time by executing the following pattern in quick succession:
 - a. posting orders that improve the National Best Bid ("NBB") or National Best Offer ("NBO") in increments at a time, waiting for another market participant to react and then repeating until the NBB or NBO reached a price at which the Oasis trader would like to trade or until the counterparty stopped following;
 - b. after inducing or baiting other market participants to increase or decrease the price of their bids or offers, the Oasis trader then entered an active order on the other side of the market to trade at the better price; and
 - c. the Oasis trader then cancelled the baiting orders shortly before or after the trades; and
 - d. as a result of the cancellation by the Oasis trader, the quote returned to the pre-spoofing level.
16. As a result of this trading pattern, trades were executed at artificial prices because the fill of the order described in paragraph 15(b) above took place at a higher price (or lower) than the NBB/NBO before the non bona fide orders were entered by the trader. These orders were intended to deceive and did deceive certain counterparties into buying (or selling) stocks from (or to) the trader at prices that had been artificially raised (or lowered) by the trader.
17. This process was usually repeated multiple times on the same day.
18. A sampling of the month of April 2014 showed that there were at least 357 incidents of intraday spoofing by Oasis traders. The 357 incidents represented 0.14% (fourteen one hundredths of a percent) of Oasis' total number of trades for that month and 0.04% (four one hundredths of a percent) of the total volume traded by Oasis that month. Although the 460 incidents of intraday spoofing may not have been a large percentage of Oasis' overall trading, they represented a very high proportion of the orders placed in the market in relation to the securities in question, which tend to be thinly traded. The trades involving intraday spoofing resulted in or contributed to a false or misleading impression, as to the supply of, or demand for, shares listed on the various Canadian marketplaces and allowed these traders to trade at artificial prices.

Lack of Oversight By Pang

19. While Pang did not know that certain Oasis traders were engaged in manipulative trading, Pang ought to have known. While Pang worked with JitneyTrade to identify and sanction traders whose conduct was identified by JitneyTrade as raising red flags, Oasis, and in particular, Pang should have taken greater steps to monitor for and ensure that manipulative trading was not taking place. Pang failed to adequately monitor trading activities at Oasis and failed to ensure there were adequate procedures in place to monitor trading activities and check for possible manipulative trading.

20. As founder, officer and director of Oasis, Pang was ultimately responsible for Oasis' compliance with Ontario securities legislation. Pang's conduct fell short of the standard expected of an officer and director participating in the Ontario capital markets.

E. Breaches of Ontario Securities Law

21. The foregoing conduct engaged in by the Respondents constituted breaches of Ontario securities law. In particular:

- a. During the Material Time, Oasis directly or indirectly, engaged or participated in an act, practice or course of conduct relating to securities that it knew or ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to subsection 126.1(1)(a) of the Act; and
- b. During the Material Time, Pang as a director and officer of Oasis, failed to adequately monitor trading activities at Oasis and ensure there was an adequate compliance structure in place to identify and prevent possible manipulative trading, thereby indirectly engaging or participating in an act, practice or course of conduct relating to securities that he ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to subsection 126.1(1)(a) of the Act.

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

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

1.5 Notices from the Office of the Secretary

1.5.1 Pro-Financial Asset Management Inc. et al.

**FOR IMMEDIATE RELEASE
December 9, 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 (1) this matter is adjourned to a final interlocutory appearance to be held on April 1, 2016 at 10:00 a.m.; (2) the hearing on the merits will commence on April 11, 2016 at 10:00 a.m. and continue on April 12, 13, 14, 15, 18, 20, 21, 22, 25, 26, 27, 28 and 29 and May 2, 2016, commencing each day at 10:00 a.m.; (3) McKinnon shall serve his expert's report or affidavit by February 12, 2016, Staff shall serve its expert's report or affidavit in response, if any, by March 11, 2016, and McKinnon shall serve his expert's report in reply, if any, by March 29, 2016; and (4) the parties shall exchange hearing briefs and hearing brief indices by March 30, 2016.

The Commission also issued an Order which provides that (1) the Withdrawal Motion be heard in writing; and (2) CMB is granted leave to withdraw as the representative of PFAM.

A copy of the Order dated December 9, 2015 and the Order dated September 15, 2015 are 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 Zhen (Steven) Pang and Oasis World Trading Inc.

**FOR IMMEDIATE RELEASE
December 11, 2015**

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

AND

**IN THE MATTER OF
ZHEN (STEVEN) PANG and
OASIS WORLD TRADING INC.**

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Zhen (Steven) Pang and Oasis World Trading Inc. in the above named matter.

The hearing will be held on December 14, 2015 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated December 10, 2015 and Statement of Allegations of Staff of the Ontario Securities Commission dated December 10, 2015 are 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)

1.5.3 2241153 Ontario Inc. et al.

FOR IMMEDIATE RELEASE
December 11, 2015

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

AND

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

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

1. the hearing on the merits in this matter will proceed on January 11, 2016, as previously ordered;
2. on or before December 18, 2015, Staff shall deliver to the Respondents copies of documents that it intends to produce or enter as evidence at the hearing on the merits in this proceeding (the “Hearing Briefs”);
3. no later than January 4, 2016, Staff shall file with the Office of the Secretary copies of indices to their Hearing Briefs;
4. no later than January 4, 2016, the Respondents shall deliver to Staff copies of documents that they intend to produce or enter as evidence at the hearing on the merits and a witness list and summaries; and
5. any Respondent who fails to deliver documents, witness lists and summaries to Staff by January 4, 2016 may not introduce such evidence at the hearing on the merits in this matter without leave of the panel.

A copy of the Order dated December 9, 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)

1.5.4 Zhen (Steven) Pang and Oasis World Trading Inc.

**FOR IMMEDIATE RELEASE
December 14, 2015**

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

AND

**IN THE MATTER OF
ZHEN (STEVEN) PANG and
OASIS WORLD TRADING INC**

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Zhen (Steven) Pang and Oasis World Trading Inc.

A copy of the Order dated December 14, 2015 and the Settlement Agreement dated December 11, 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 Lance Kotton and Titan Equity Group Ltd.

**FOR IMMEDIATE RELEASE
December 15, 2015**

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

AND

**IN THE MATTER OF
LANCE KOTTON and
TITAN EQUITY GROUP LTD.**

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

1. the hearing of this matter scheduled for December 16, 2015, is vacated;
2. the Temporary Order is extended until April 15, 2016, or until further order of the Commission without prejudice to the right of Staff or the Respondents to seek to vary the Temporary Order on application to the Commission; and
3. the hearing of this matter is adjourned until April 14, 2016, at 10:00 a.m., or such other date and time as provided by the Office of the Secretary and agreed to by the parties.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Xenon Pharmaceuticals Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1 and National Instrument 44-102 Shelf Distributions s. 11.1(1) – Qualification – An issuer that does not meet the eligibility criteria in section 2.2 or 2.3 of NI 44-101 or because it does not have securities listed on an exchange in Canada wants to use the short form prospectus system; the issuer is a reporting issuer in Canada; the issuer's shares are listed on NASDAQ and are not listed on a Canadian exchange; the issuer is subject to the reporting requirements of the United States Securities Exchange Act of 1934.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2(e), 8.1(1).
National Instrument 44-102 Shelf Distributions, ss. 2.2(1), 2.2(2), 2.2(3)(b)(iii), 11.1(1).

December 2, 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
XENON PHARMACEUTICALS INC.
(THE FILER)

DECISION

Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Makers) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the Legislation) that:
- (a) the qualification criteria in subsection 2.2(e) of National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) and subsections 2.2(1), 2.2(2) and 2.2(3)(b)(iii) of National Instrument 44-102 *Shelf Distributions* that the equity securities of the Filer be listed and posted for trading on a short form eligible exchange (as defined in NI 44-101) does not apply to the Filer (the Qualification Relief); and
 - (b) the application and this decision be held in confidence by the Decision Maker (the Confidentiality Relief).

Under the Process for Exemptive Relieve 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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta; and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

- 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 is a corporation existing under the *Canada Business Corporations Act* and its head office is located in British Columbia;
 - 2. the Filer is a clinical-stage biopharmaceutical company that is developing a pipeline of differentiated therapeutics for orphan indications to commercialize on its own or in partnership with global pharmaceutical companies;
 - 3. the Filer is, and has been for the last 12 months, a reporting issuer in each of the Jurisdictions and is not in default of the securities legislation in any of the Jurisdictions;
 - 4. the Filer is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, of the United States and is not in default of any requirement of applicable securities laws of the United States;
 - 5. the Filer's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares, as of November 26, 2015, 14,378,846 common shares and no preferred shares were issued and outstanding;
 - 6. the common shares of the Filer are quoted for trading on the NASDAQ Stock Market (NASDAQ) under the symbol "XENE", but are not listed and posted for trading on any stock exchange in Canada;
 - 7. a short form eligible exchange is defined in NI 44-101 as the Toronto Stock Exchange, Tier 1 and Tier 2 of the TSX Venture Exchange, Aequitas NEO Exchange Inc., or the Canadian Securities Exchange;
 - 8. the Filer satisfies the basic qualification criteria in section 2.2 of NI 44-101, other than having its securities listed and posted for trading on a short form eligible exchange; and
 - 9. prior to the Filer filing a notice declaring its intention to be qualified to file a short form prospectus under NI 44-101, the Filer will make no public announcement of its intention to file a short form prospectus in Canada.

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:

- (a) the Qualification Relief is granted provided that:
 - (i) the Filer complies with all applicable requirements, procedures and qualification criteria of NI 44-101, other than the requirement in subsection 2.2(e) of NI 44-101 that the Filer's equity securities be listed and posted for trading on a short form eligible exchange; and
 - (ii) the common shares of the Filer are listed and posted for trading on NASDAQ on the date of filing by the Filer of a final short form prospectus pursuant to NI 44-101; and

- (b) the Confidentiality Relief is granted until the earlier of the date:
 - (i) the Filer files a notice declaring its intention to be qualified to file a short form prospectus in Canada under NI 44-101;
 - (ii) the Filer advises the principal regulator that there is no longer any need for the application and this decision to remain confidential; and
 - (iii) that is 30 days from the date of this decision.

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

2.1.2 HCN-Revera Joint Venture ULC (formerly Regal Lifestyle Communities Inc.)

Headnote

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

Applicable Legislative Provisions

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

December 9, 2015

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR,
YUKON, NORTHWEST TERRITORIES AND NUNAVUT
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
HCN-REVERA JOINT VENTURE ULC
(FORMERLY REGAL LIFESTYLE COMMUNITIES INC.)
(the Filer)

DECISION

Background

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

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

- a) the Ontario Securities Commission is the principal regulator for this application, and
- b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same 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 continued under the British Columbia *Business Corporations Act* (the **BCBCA**) with its head office located at 55 Standish Court, Mississauga, Ontario, L5R 4B2.

2. The Filer is a reporting issuer in each of the Jurisdictions.
3. On October 26, 2015, the Filer and HCN-Revera Joint Venture ULC (**HCN-Revera**) completed a plan of arrangement under the *Business Corporations Act* (Ontario) (the **Arrangement**) pursuant to which, among other things, HCN-Revera acquired all of the issued and outstanding common shares of the Filer (the **Common Shares**). In addition, all of the 6.0% convertible unsecured subordinated debentures of the Filer (the **Debentures**) were redeemed for cash on November 4, 2015. Pursuant to the Arrangement, the Filer became a wholly-owned subsidiary of HCN-Revera and no longer has any outstanding securities, including debt securities, held by the public.
4. At the close of business on October 27, 2015, the Common Shares were de-listed from the Toronto Stock Exchange (the **TSX**) and at the close of business on November 4, 2015, the Debentures were de-listed from the TSX.
5. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation, other than its obligation to file interim financial statements and related management's discussion and analysis for the nine months ended September 30, 2015 as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the related certification of such financial statements and management's discussion and analysis as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.
6. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the Jurisdictions and fewer than 51 securityholders in total worldwide.
7. No securities of the Filer are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
8. The Filer has no current intention to seek public financing by way of an offering of securities.
9. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions.
10. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it remains a reporting issuer in British Columbia and because it is in default of certain filing obligations under the Legislation as described in paragraph 5 above.
11. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it chose to avoid the 10-day waiting period under that instrument.
12. Upon the grant of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

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

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

"Mary G. Condon"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.1.3 First Asset Investment Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval for change of control of manager under s. 5.5(1)(a.1) of National Instrument 81-102 Investment Funds and abridgement of securityholder notice period under s. 5.8(1)(a) of NI 81-102 to 32 days – acquirer has requisite experience and integrity to participate in Canadian capital markets – transaction will not result in any material changes to operations and management of the manager or the funds it manages.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(a.1), 5.7(1)(a), 5.8(1), 19.1.

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
FIRST ASSET INVESTMENT MANAGEMENT INC.
(the Manager or First Asset)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager and CI Financial Corp. (**CI**, and together with the Manager, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval with respect to a proposed change of control of the Manager pursuant to section 5.5(1)(a.1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) (the **Approval Sought**) and an abridgement to not less than 32 days of the time period prescribed by section 5.8(1)(a) of NI 81-102 for delivering notice to securityholders of the First Asset Funds (as defined below) of the change of control of the Manager resulting from the Proposed Transaction (as defined below) (the **Abridgement Relief**).

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

- (a) the Ontario Securities Commission (the **OSC**) is the principal regulator for this application; and
- (b) the Manager 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 province and territory of Canada (the **Jurisdictions**).

Interpretation

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

Representations

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

CI and CI Investments Inc.

1. CI, a corporation existing under the *Business Corporations Act* (Ontario) (**OBCA**), with its head office in Toronto, Ontario, is a diversified wealth management firm and one of Canada's largest investment fund companies.
2. CI is a reporting issuer in all of the provinces of Canada. CI's common shares are listed on the Toronto Stock Exchange (the **TSX**) under the trading symbol "CIX".
3. CI owns 100% of CI Investments Inc. (the **CI Manager**).
4. The CI Manager, a corporation existing under the OBCA with its head office in Toronto, Ontario, is one of Canada's largest investment fund companies and manages investment funds, as well as other investment products.
5. The CI Manager is registered as (i) an investment fund manager (**IFM**) in Ontario, Quebec and Newfoundland and Labrador; (ii) adviser in the category of portfolio manager (**PM**) in all provinces; (iii) a dealer in the category of exempt market dealer (**EMD**) in Ontario; and (iv) commodity trading counsel and commodity trading manager (**CTM**) in Ontario.

First Asset Capital Corp. and First Asset

6. First Asset Capital Corp. (**FACC**), a corporation existing under the OBCA with its head office in Toronto, Ontario, is a privately-owned investment management firm.
7. FACC owns 100% of First Asset Funds Inc. (**FAFI**) and FAFI owns 100% of First Asset.
8. First Asset, a corporation existing under the OBCA, has its head office in Toronto, Ontario.
9. First Asset is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador. First Asset is also registered as a portfolio manager, exempt market dealer and commodity trading manager in Ontario.

The First Asset Funds

10. First Asset is the manager, trustee and portfolio advisor of the funds listed in Schedule "A" hereto.
11. The First Asset Funds are reporting issuers in some or all provinces and territories of Canada.
12. Securities of the First Asset Funds are distributed in some or all provinces and territories of Canada under prospectuses filed on SEDAR qualifying the First Asset Funds for distribution. The First Asset Funds are mutual fund trusts, corporations or limited partnerships existing under the laws of Ontario. The First Asset Funds are exchange-traded funds, closed-end funds, and mutual funds as set out in Schedule "A".
13. None of CI, the CI Manager, FACC, FAFI, First Asset or the First Asset Funds is in default of any securities legislation in any of the Jurisdictions.

The Proposed Transaction

14. CI entered into a binding agreement with key shareholders of FACC on October 15, 2015 to purchase 100% of the issued and outstanding shares of FACC (the **Proposed Transaction**).
15. It is anticipated that the Proposed Transaction will be accomplished through a sale and purchase agreement under which CI will acquire all the outstanding shares of FACC in return for cash and common shares of CI. Ideally, the parties would like to close no later than November 30, 2015 (the **Closing Date**), provided that, among other things, all necessary regulatory notices, non-objections, and approvals have been given and received. If completed as contemplated, following the Closing Date, CI will indirectly be the new beneficial owner of FACC, FAFI and First Asset.
16. A notice regarding the Proposed Transaction was delivered to the Compliance & Registrant Regulation branch of the OSC on October 23, 2015 pursuant to sections 11.9 and 11.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

Change of Control of Manager

17. As the share ownership of First Asset will change such that after the Closing Date, CI will indirectly, through a wholly-controlled subsidiary, own 100% of the issued and outstanding shares of FACC and CI will therefore indirectly own

Decisions, Orders and Rulings

100% of First Asset, the Proposed Transaction will result in a change of control of First Asset and accordingly regulatory approval is required pursuant to section 5.5(1)(a.1) of NI 81-102.

Impact on the Manager and the First Asset Funds

18. Completion of the Proposed Transaction is not expected to result in any material changes to, or impact on, the business, operations or affairs of the First Asset Funds, the securityholders of the First Asset Funds or First Asset.
19. First Asset will continue to act as the investment fund manager of the First Asset Funds as a discrete, separate and distinct legal entity in materially the same manner as it has conducted such activities immediately prior to the Closing Date.
20. There are no plans to change the role of First Asset as manager of the First Asset Funds. First Asset will operate autonomously with the existing senior management team. There are no immediate plans to make changes to First Asset's business model.
21. There is no current intention to: (i) change the names or branding of First Asset or the First Asset Funds as a result of the Proposed Transaction; (ii) change the officers or registered individuals of First Asset; (iii) make any substantive changes as to how First Asset operates or manages the First Asset Funds; (iv) change the portfolio advisors of the First Asset Funds; or (v), immediately following the Closing Date, or within a foreseeable period of time, change the investment fund manager to the First Asset Funds. The only change that is contemplated is that CI will elect the majority of directors of First Asset immediately after the Proposed Transaction closes.
22. There is no current intention to merge or integrate the business operations of First Asset into CI or the CI Manager.
23. No assessment has been made as to duplication of personnel or systems and accordingly, no decisions have been made as to rationalization with respect to these matters. There is no duplication of core First Asset fund products or services that will require rationalization in the near future.
24. Other than to add oversight of First Asset by having a majority of CI nominees on the First Asset board, there are no current plans to: (a) make staffing changes to First Asset; (b) change the structures, investment objectives or strategies of the First Asset Funds; (c) change the fees and expenses that would be charged to the First Asset Funds; (d) have CI involved in any of the business, operations or affairs of First Asset, such as oversight of the compliance activities of First Asset; (e) make changes to fund accounting and other administrative functions undertaken by the current providers, both internal and external, to First Asset or the First Asset Funds; or (f) make changes to the custodians or trustees of the First Asset Funds.
25. No current directors, officers or employees of CI or its affiliates are expected to become involved in the day-to-day management of the First Asset Funds following completion of the Proposed Transaction.
26. The members of the Independent Review Committee (**IRC**) of the First Asset Funds will cease to be IRC members by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)*. However, it is currently intended that immediately following the completion of the Proposed Transaction, the same members of the IRC will be re-appointed by First Asset.
27. The Proposed Transaction is not expected to impact the financial stability of the Manager or its ability to fulfill its regulatory obligations.

Notice Requirement

28. Written notice (the **Notice**) regarding the Proposed Transaction was sent to each securityholder of the First Asset Funds on October 29, 2015, which, if the Closing Date occurs on November 30, 2015, means that securityholders of the First Asset Funds will have received the Notice approximately 32 days before the Closing Date of the Proposed Transaction.
29. While the Proposed Transaction is pending, but not closed, there is uncertainty among clients and others regarding First Asset. To preserve the business and relationships of First Asset, it is strongly preferable to close the Proposed Transaction promptly with an abridgement to the 60-day notice period and minimize this period of uncertainty.
30. It is the Filers' view that it would not be prejudicial to the securityholders of the First Asset Funds to abridge the notice period required under s. 5.8(1)(a) of NI 81-102 from 60 days to not less than 32 days for the following reasons:
 - (a) the securityholders of the First Asset Funds will be sufficiently aware of the Proposed Transaction;

Decisions, Orders and Rulings

- (b) the Proposed Transaction is not expected to result in any change in how the Manager administers or manages the First Asset Funds;
- (c) the Proposed Transaction will not have any impact on the securityholders' interest in the First Asset Funds and securityholders are not required to take any action; securityholders need only consider whether they wish to dispose of their securities of the First Asset Funds. The change of control of the Manager, by itself, will not trigger any other material change to the First Asset Funds; and
- (d) the First Asset Funds calculate and publish their net asset values per security on a daily basis and either permit redemptions of securities of the First Asset Funds on a daily basis or are listed on the TSX, allowing securityholders of the First Asset Funds to redeem or dispose of their securities prior to the Closing Date if they so choose.

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:

- (e) the Approval Sought is granted; and
- (f) the Abridgement Relief is granted provided that
 - (i) the Notice is given to securityholders of the First Asset Funds at least 32 days before the Closing Date, and
 - (ii) no material changes will be made to the management, operations or portfolio management of the First Asset Funds for at least 60 days following the date the Notice was delivered.

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

Schedule "A"

LIST OF FIRST ASSET FUNDS

EXCHANGE-TRADED FUNDS
First Asset Canadian Convertible Bond ETF First Asset Provincial Bond Index ETF First Asset 1-5 Year Laddered Government Strip Bond Index ETF First Asset Active Credit ETF First Asset Core Canadian Equity ETF First Asset Core U.S. Equity ETF First Asset Core Balanced ETF First Asset Canadian REIT ETF First Asset CanBanc Income ETF First Asset Can-Energy Covered Call ETF First Asset Can-Materials Covered Call ETF First Asset Tech Giants Covered Call ETF First Asset Energy Giants Covered Call ETF First Asset Active Canadian Dividend ETF First Asset Active Utility & Infrastructure ETF First Asset Hamilton Capital European Bank ETF First Asset U.S. & Canada Lifeco Income ETF First Asset Morningstar Canada Dividend Target 30 Index ETF First Asset Morningstar US Dividend Target 50 Index ETF First Asset Morningstar Canada Momentum Index ETF First Asset Morningstar US Momentum Index ETF First Asset Morningstar Canada Value Index ETF First Asset Morningstar US Value Index ETF First Asset Morningstar National Bank Québec Index ETF First Asset Morningstar International Momentum Index ETF First Asset Morningstar International Value Index ETF First Asset MSCI Canada Low Risk Weighted ETF First Asset MSCI USA Low Risk Weighted ETF First Asset MSCI Europe Low Risk Weighted ETF First Asset MSCI World Low Risk Weighted ETF First Asset Core Canadian Equity Income ETF
CLOSED-END FUNDS
First Asset Energy & Resource Fund JFT Strategies Fund Preferred Share Investment Trust Triax Diversified High-Yield Utility Split Trust First Asset Morningstar US Consumer Defensive Index Fund First Asset Hamilton Capital European Bank Fund Canadian Advantaged Convertibles Fund Canadian Convertibles Fund First Asset Diversified Convertible Debenture Fund North American Advantaged Convertibles Fund Convertibles Portfolio Fund CanBanc 8 Income Corp. Can-Financials Income Corp. First Asset CanBanc Split Corp.
MUTUAL FUNDS
First Asset Global Dividend Fund First Asset Canadian Convertible Bond Fund First Asset REIT Income Fund First Asset Utility Plus Fund First Asset Canadian Energy Convertible Debenture Fund First Asset Canadian Dividend Opportunity Fund

First Asset Resource Fund Inc.
First Asset Canadian Convertible Debenture Fund
First Asset Canadian Dividend Opportunity Fund II

2.1.4 BNP Paribas Global Equity Exposure Fund et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of manager of a mutual fund – change of manager is not detrimental to unitholders or contrary to the public interest.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(a), 5.5(3), 5.7.

December 8, 2015

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

AND

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

AND

**IN THE MATTER OF
BNP PARIBAS GLOBAL EQUITY EXPOSURE FUND**

AND

**IN THE MATTER OF
BNP PARIBAS INVESTMENT PARTNERS
CANADA LTD.**

AND

**IA CLARINGTON INVESTMENTS INC.
(the Filers)**

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for approval under section 5.5(1)(a) of National Instrument 81-102 *Mutual Funds (NI 81-102)* of the change of manager of BNP Paribas Global Equity Exposure Fund (the **Fund**) from BNP Paribas Investment Partners Canada Ltd. (**BNP Canada**) to IA Clarington Investments Inc. (**IA Clarington**) (the **Approval Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for this Application;
- (b) the Filer has provided notice that sub-section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Nunavut, and Yukon; and
- (c) the decision is the decision of the principal regulator.

Interpretation

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

Representations

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

BNP Canada and the Fund

1. BNP Canada is a corporation incorporated under the laws of Canada, which adopted its current name in April 2010. The head office and principal place of business of BNP Canada is located in Toronto, Ontario. BNP Canada is not a reporting issuer.
2. BNP Canada is registered as an investment fund manager (manager) and adviser in the category of portfolio manager in British Columbia, Alberta, Ontario, Quebec and New Brunswick. It is also registered as a commodity trading manager in Ontario and as an exempt market dealer in British Columbia, Alberta, Ontario, and Quebec.
3. BNP Canada is the manager and portfolio manager of the Fund.
4. The Fund is a trust established under the laws of Ontario and BNP Canada is the trustee. The Fund is a reporting issuer.
5. Units of the Fund are offered under a simplified prospectus, annual information form and fund facts documents dated April 13, 2015.
6. The only investors in the Fund are IA Clarington Target Click 2020 Fund, IA Clarington Target Click 2025 Fund and IA Clarington Target Click 2030 Fund (collectively, the **Target Click Funds**). As at October 30, 2015, the net asset value of the Fund had declined to approximately \$22 million.

7. Neither BNP Canada nor the Fund is in default of the securities legislation in any of the jurisdictions of Canada.

IA Clarington

8. IA Clarington is a corporation existing under the laws of Canada. The head office of IA Clarington is located in Quebec City, Quebec. IA Clarington is a subsidiary of Industrial Alliance Insurance and Financial Services Inc., a life and health insurance company. IA Clarington is not a reporting issuer.
9. As at October 30, 2015 IA Clarington managed approximately \$14 billion in mutual fund assets offered by prospectus. It also acts as trustee, portfolio manager and registrar and transfer agent for its funds and makes use of third party advisers for certain of its funds.
10. IA Clarington is registered as an investment fund manager with the securities regulatory authorities in Ontario, Quebec and Newfoundland and Labrador, and as an adviser in the category of portfolio manager in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador.
11. IA Clarington is currently the manager of three groups of mutual funds, consisting of the IA Clarington Funds, the IA Clarington New Funds, and the Target Click Funds. Each of such mutual funds is a reporting issuer in each of the jurisdictions of Canada.
12. IA Clarington possesses all registrations under the legislation and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* to allow it to manage the Fund after the closing of the Transaction (as described below).
13. IA Clarington is not in default of the securities legislation in any of the jurisdictions of Canada.

The Proposed Transaction

14. BNP Canada determined to terminate the Fund as of December 31, 2015 and provided 60 days prior notice to IA Clarington on behalf of the Target Click Funds regarding such termination. Given the reliance of the Target Click Funds on the Fund, IA Clarington requested BNP Canada to allow IA Clarington to take over the management of the Fund rather than terminating the Fund.
15. Pursuant to an agreement between the Filers, BNP Canada agreed to assign, and IA Clarington agreed to assume, on or before December 31, 2015, and subject to receiving all necessary approvals, the obligations of BNP Canada as trustee and manager under the master manage-

ment agreement, as trustee under the declaration of trust establishing the Fund, as manager on behalf of the Fund under each of the custody agreements, fund administration services agreement, security agreement and subscription agreement (the **Transaction**).

16. IA Clarington has an experienced IRC in place for all of its funds and upon completion of the change of manager, the members of the IRC will serve as the IRC for the Fund.
17. IA Clarington is not considering any merger of the Fund.
18. IA Clarington will change the name of the Fund in order to exclude BNP Paribas from the name and replace it with IA Clarington; otherwise, except as discussed above, no changes to the Fund are currently contemplated by IA Clarington. IA Clarington may, however, seek to implement further changes to the Fund following the change of manager if it concludes that such changes would be in the interests of investors; such changes could include changes to the custodian or auditor.
19. IA Clarington has advised the independent review committee (**IRC**) of the Target Click Funds of the proposed Transaction and has obtained its recommendation that the proposed Transaction achieves a fair and reasonable result for the Target Click Funds.
20. The approval of the Fund's investors is required under section 5.1(1)(b) of NI 81-102 before the Transaction may be completed. As a positive recommendation of the IRC of the Target Click Funds has been given, IA Clarington on behalf of the Target Click Funds will approve the change of manager of the Fund by written resolution.
21. An amendment to the offering documents of the Fund will be made after all necessary approvals have been obtained and before the closing of the Transaction regarding the change in manager and ancillary items, such as proposed name change and change of sub-advisor.

The Change of Manager

22. The experience and integrity of each of the members of the IA Clarington management team is apparent by their education and years of experience in the investment industry
23. IA Clarington has the appropriate personnel, policies and procedures and systems in place to assume the management of the Fund on closing of the Transaction. At least initially, IA Clarington intends to continue the appointment of THEAM SAS as sub-advisor to the Fund. IA Clarington

intends to appoint Industrial Alliance Investment Management Inc. as sub-advisor to the Fund.

24. All material agreements regarding the administration of the Fund will either be amended and restated by IA Clarington and the relevant service provider to replace BNP Paribas with IA Clarington and refer to the change in name of the Fund or IA Clarington will enter into new agreements as required.
25. The closing of the Transaction will not adversely affect IA Clarington's financial position or its ability to fulfill its regulatory obligations.
26. The closing of the Transaction is not expected to have any material impact on the business, operations or affairs of the Fund or the unitholders of the Fund.
27. The Fund will not bear any of the costs and expenses associated with the change of manager. Such costs will be borne by the Filers. These costs may include legal and accounting fees, and regulatory fees
28. The Approval Sought will not be detrimental to the protection of investors in the Fund or prejudicial to the public interest.
29. If the Transaction is not closed by December 31, 2015, BNP Canada will terminate the Fund. A termination of the Fund will cause undue hardship to the Target Click Funds and be detrimental to their investors.

Decision

The Decision Maker 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 Maker under the Legislation is that the Approval Sought is granted.

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

2.1.5 Newport Private Wealth Inc. and the Lonsdale Tactical Balanced Portfolio

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Fund deemed to cease to be reporting issuer under securities legislation – Fund unable to rely upon CSA Staff Notice 12-307 because it is a reporting issuer in British Columbia, and units are held by more than 50 persons – Fund is distributed on exempt basis to fully managed accounts.

Applicable Legislative Provisions

Securities Act (Ontario), s. 1(10)(a)(ii).

December 9, 2015

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NEW BRUNSWICK,
NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR,
AND QUÉBEC
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
NEWPORT PRIVATE WEALTH INC.
(the Manager)**

AND

**THE LONSDALE TACTICAL BALANCED PORTFOLIO
(the Fund, and together with the Manager, the Filers)**

DECISION

BACKGROUND

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

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

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

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

INTERPRETATION

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

REPRESENTATIONS

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

The Manager

1. The Manager is a corporation established under the laws of Ontario and its head office is in Toronto, Ontario.
2. The Manager is registered as an investment fund manager, exempt market dealer and portfolio manager in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan.
3. The Manager is the investment fund manager, portfolio manager and trustee of the Fund.
4. The Manager is not in default of its obligations under the Legislation.

The Fund

5. The Fund is an open-ended mutual fund trust created under the laws of Ontario.
6. The Fund is a reporting issuer in all of the Jurisdictions as a result of having filed a prospectus in the Jurisdictions. As a reporting issuer, the Fund is subject to National Instrument 81-102 – *Investment Funds (NI 81-102)*. The Fund ceased to offer units under a prospectus no later than November 5, 2015.
7. For so long as the Manager is the trustee of the Fund, the portfolio assets of the Fund will be held in the custody of an entity that meets the requirements of section 6.2 of NI 81-102 for assets held in Canada and section 6.3 of NI 81-102 for assets held outside of Canada.
8. The Fund is not in default of any of its obligations under the Legislation as a reporting issuer.
9. The Fund is not currently traded on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

10. The Manager offers discretionary investment management services to individuals, corporations and other entities (each a **Client**) seeking wealth management or related services through a managed account (**Managed Account**).
11. The Managed Accounts are managed by representatives of the Manager (the **Portfolio Managers**) who meet the proficiency requirements of an advising representative (or associate advising representative) under the applicable Legislation.
12. The Portfolio Managers have full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the Client to the trade pursuant to investment management services agreements executed by each Client (the **Managed Account Agreements**). The Managed Account Agreements further set out how the applicable Managed Account operates and informs the Client of the Manager's various rules, procedures and policies.
13. Clients receive a quarterly statement showing current holdings and a summary of all transactions carried out in their Managed Account in each month during which a transaction was effected in such clients' accounts. The Manager is available to review and discuss with the Client all account statements. The Manager provides the Client with a comprehensive quarterly portfolio reporting package that includes current holdings, capital allocation, asset mix and performance. In addition, Clients also receive monthly statements from the Fund's custodian, NBCN Inc., which shows their current holdings in the Fund as well as the applicable transactions.
14. The Fund is currently owned by, and distributed only to, Clients who have signed Managed Account Agreements and therefore are not offered to the public.
15. Investors in the Fund are only comprised of, and will in the future only be comprised of, persons from the following categories:
 - (a) Investors who qualify as "accredited investors", as defined in National Instrument 45-106 – *Prospectus Exemptions (NI 45-106)*, other than pursuant to paragraph (q) of the definition, and
 - (b) Investors who have entered into a Managed Account Agreement with the Manager or a similar agreement with another qualified portfolio manager, making the Manager or such other portfolio manager the accredited investor pursuant to paragraph (q) of the "accredited investor" definition in NI 45-106.

16. The Manager will send a notice to each investor that holds units of the Fund, which will be mailed in November 2015, advising that the Fund has ceased to be a reporting issuer and explaining the implications of such fact. Investors will be permitted to instruct their Portfolio Manager if they no longer wish to be invested in the Fund and there will be no fees associated with such redemption.
17. The Fund does not have fewer than 51 securityholders in total worldwide. In addition, the Fund has 15 or more securityholders in one or more jurisdictions in Canada. As a result, the Funds are not eligible for relief pursuant to CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer* because of the number of securityholders in the Fund and because the Fund is a reporting issuer in British Columbia.
18. The Fund does not qualify to use the procedures in BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* because of the number of securityholders in the Fund.
19. The Fund will continue as a pooled fund subject to National Instrument 81-106 – *Investment Fund Continuous Disclosure (NI 81-106)* and the regulatory obligations therein.
20. The Manager shall provide to all securityholders of the Fund resident in jurisdictions other than Ontario the same disclosure to be provided to securityholders of the Fund resident in Ontario as may be required pursuant to NI 81-106. The Fund intends to rely on the filing exemption set out in section 2.11 of NI 81-106.
21. The Filers seek the Exemption Sought because the only unitholders in the Fund are, or will be, Managed Account clients or accredited investors. The Filers submit that the Fund ceasing to be a reporting issuer will reduce the regulatory and financial burdens associated therewith, such as the costs of preparing the Management Reports of Fund Performance. As the expenses of the Fund will be reduced, this will be a benefit to unitholders to the extent the costs and expenses associated with these requirements will no longer be applicable.

“William Furlong”
Commissioner
Ontario Securities Commission

“Edward P. Kerwin”
Commissioner
Ontario Securities Commission

DECISION

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

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

2.2 Orders

2.2.1 Pro-Financial Asset Management Inc. et al. –
s. 127

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

AND

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

ORDER
(Section 127)

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 January 14, 2015, Staff of the Commission ("Staff"), counsel for PFAM and McKinnon and counsel for Farrell attended before the Commission;
3. On January 14, 2015, the Commission ordered that the hearing be adjourned to February 25, 2015 at 10:00 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;
4. On February 25, 2015, Staff advised that the initial electronic disclosure of approximately 11,000 pages was sent to counsel for the Respondents on January 12, 2015 and the remaining electronic disclosure of approximately 7,400 pages was sent to counsel for the Respondents on February 24, 2015;
5. On February 25, 2015, Staff advised that the Commission order dated January 14, 2015 should have referred to 11,000 pages of disclosure and not 11,000 documents;
6. On February 25, 2015, a confidential pre-hearing conference was held immediately following the public hearing as requested by the parties;
7. On April 9, 2015, the confidential pre-hearing conference continued and Staff, counsel for PFAM and McKinnon, and counsel for Farrell attended before the Commission;

8. On June 15, 2015, the confidential pre-hearing conference continued and Staff and counsel for PFAM and McKinnon attended before the Commission;
9. On June 17, 2015, the Commission ordered that the Second Appearance be held on September 15, 2015 at 10:00 a.m. and that:
 - (a) Staff shall make disclosure, no later than five days before the date of the Second Appearance, of their witness list and summaries and indicate any intention to call an expert witness, in which event they shall provide the name of the expert and state the issue or issues on which the expert will be giving evidence; and
 - (b) Any requests by any of the Respondents for disclosure of additional documents shall be set out in a Notice of Motion which shall be filed no later than 10 days before the date of the Second Appearance;
10. On June 19, 2015, counsel for PFAM and McKinnon filed a notice of motion pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure*, (2014), 37 O.S.C.B. 4168 seeking leave to withdraw as counsel for PFAM and the Commission granted such motion on September 15, 2015;
11. On June 30, 2015, the Commission heard a motion brought by McKinnon, in which he sought registration as a dealing representative at a mutual fund dealer (the "Registration Motion");
12. On September 14, 2015, the Commission released its reasons and order dismissing the Registration Motion;
13. On September 15, 2015, the Second Appearance was held and Staff advised that (i) on August 31, 2015, Staff provided a third tranche of disclosure (2,960 pages) to the Respondents; (ii) on September 11, 2015, Staff provided a fourth tranche of disclosure (251 pages) to the Respondents; and (iii) on September 10, 2015, Staff provided the Respondents with its preliminary witness list and a chart setting out the location in Staff's disclosure of the transcripts and affidavits relevant to Staff's witnesses;
14. 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");
15. On September 17, 2015, the Commission ordered that the Third Appearance be held on November 16, 2015 at 9:00 a.m. and that:

- (a) The Preliminary Determination Motion shall be heard on November 6, 2015 at 10:00 a.m.;
 - (b) PFAM and McKinnon shall make disclosure to Staff, by no later than 30 days before the date of the Third Appearance, of their witness lists and summaries and indicate any intention to call an expert witness, in which event they shall provide Staff with the name of the expert and state the issue or issues on which the expert will be giving evidence; and
 - (c) The dates for the hearing on the merits and for the provision of expert affidavits or reports, if any, will be set at the Third Appearance.
- 16. 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 and the panel reserved its decision;
 - 17. On November 6, 2015, Staff and counsel for McKinnon agreed to reschedule the Third Appearance from November 16, 2015 at 9:00 a.m. to December 2, 2015 at 10:00 a.m. and that the dates for the hearing on the merits and for the provision of expert affidavits or reports, if any, will be set at the Third Appearance;
 - 18. On November 26, 2015, the Commission released its order dismissing the Preliminary Determination Motion with reasons to follow;
 - 19. On November 30, 2015, the Commission released its reasons relating to its order dismissing the Preliminary Determination Motion;
 - 20. On December 2, 2015, the Third Appearance was held and Staff and counsel for McKinnon appeared and made submissions;
 - 21. McKinnon consents to the terms of this Order; and
 - 22. The Commission is of the opinion that it is in the public interest to make this Order.

- 3. McKinnon shall serve his expert's report or affidavit by February 12, 2016, Staff shall serve its expert's report or affidavit in response, if any, by March 11, 2016, and McKinnon shall serve his expert's report in reply, if any, by March 29, 2016; and
- 4. The parties shall exchange hearing briefs and hearing brief indices by March 30, 2016.

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

"Christopher Portner"

IT IS HEREBY ORDERED that:

- 1. This matter is adjourned to a final interlocutory appearance to be held on April 1, 2016 at 10:00 a.m.;
- 2. The hearing on the merits will commence on April 11, 2016 at 10:00 a.m. and continue on April 12, 13, 14, 15, 18, 20, 21, 22, 25, 26, 27, 28 and 29 and May 2, 2016, commencing each day at 10:00 a.m.;

2.2.2 Pro-Financial Asset Management Inc. et al. –
Rule 1.7.4 of the OSC Rules of Procedure

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

AND

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

ORDER
(Rule 1.7.4 of the Ontario Securities
Commission's Rules of Procedure)

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") accompanied by a Statement of Allegations dated December 8, 2014 with respect to Pro-Financial Asset Management Inc. ("PFAM"), Stuart McKinnon and John Farrell (collectively, the "Respondents");
2. On June 19, 2015, counsel for PFAM and McKinnon, Crawley MacKewn Brush LLP ("CMB") filed a notice of motion pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure*, (2014), 37 O.S.C.B. 4168, for leave to withdraw as the representative of PFAM (the "Withdrawal Motion"); and
3. CMB provided the Affidavit of Stuart McKinnon sworn June 19, 2015, in support of the Withdrawal Motion.

IT IS HEREBY ORDERED that:

1. The Withdrawal Motion be heard in writing; and
2. CMB is granted leave to withdraw as the representative of PFAM.

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

"Christopher Portner"

2.2.3 2241153 Ontario Inc. et al. – s. 127

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

AND

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

ORDER
(Section 127)

WHEREAS:

1. On February 10, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on February 9, 2015, to consider whether it is in the public interest to make certain orders against 2241153 Ontario Inc. ("2241153"), Setenterprice, Sarbjeet Singh ("Singh"), Dipak Banik ("Banik"), Stoyanka Guerenska ("Guerenska"), Sophia Nikolov ("Nikolov") and Evgueni Todorov ("Todorov") (together, the "Respondents");
2. The Notice of Hearing set a hearing in this matter for February 23, 2015 at 11:00 a.m.;
3. On February 11, 2015 a settlement agreement entered into by Staff of the Commission ("Staff") and Singh and 2241153 was approved by the Commission;
4. On February 23, 2015 Staff attended a hearing in this matter and no one appeared on behalf of the Respondents;
5. On February 23, 2015, the Commission ordered that:
 - (a.) the matter was adjourned to a hearing scheduled for March 24, 2015 at 9:00 a.m.;
 - (b.) on or before March 24, 2015, Staff shall disclose to the Respondents all documents and things in its possession or control that are relevant to the allegations in this matter; and
 - (c.) upon failure of any party to attend at the hearing scheduled for March 24, 2015 at 9:00 a.m., the hearing will proceed in the absence of that party and such party will

not be entitled to any further notice of the proceedings;

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

7. On March 24, 2015, the Commission ordered that:

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

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

8. On June 24, 2015, Staff and Todorov attended at a hearing in the matter and none of the other Respondents appeared, although properly served;

9. On June 24, 2015, the Commission ordered that:

(a.) this matter is adjourned to a hearing scheduled for September 1, 2015 at 9:30 a.m. or to such other date as may be agreed to by the parties and fixed by the Office of the Secretary;

(b.) that by the close of business on August 21, 2015, the Respondents will provide Staff with their witness lists and summaries and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence; and

(c.) upon failure of any Respondent to provide Staff with the above-noted documents or failure to attend at the hearing scheduled for September 1, 2015 at 9:30 a.m., the hearing will proceed in the absence of that party and such party will not be entitled to any further notice of the proceedings;

10. On September 1, 2015, Staff and Todorov attended a hearing in this matter and none of the other Respondents appeared, although properly served;

11. On September 1, 2015, the Commission ordered that:

(a.) this matter is adjourned to a pre-hearing conference scheduled for December 9, 2015 at 10:00 a.m. or to such other date as may be agreed to by the parties and fixed by the Office of the Secretary; and

(b.) the hearing on the merits in this matter will commence on January 11, 2016 at 10:00 a.m. and will continue to and including January 22, 2016, with the exception of January 12, 2016, or on such other dates as are agreed to by the parties and fixed by the Office of the Secretary.

12. On December 9, 2015, Staff and Todorov attended a confidential pre-hearing conference in this matter and none of the other Respondents appeared, although properly served;

13. The Commission considered the submissions of Staff and Todorov and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

1. the hearing on the merits in this matter will proceed on January 11, 2016, as previously ordered;

2. on or before December 18, 2015, Staff shall deliver to the Respondents copies of documents that it intends to produce or enter as evidence at the hearing on the merits in this proceeding (the "Hearing Briefs");

3. no later than January 4, 2016, Staff shall file with the Office of the Secretary copies of indices to their Hearing Briefs;

4. no later than January 4, 2016, the Respondents shall deliver to Staff copies of documents that they intend to produce or enter as evidence at the hearing on the merits and a witness list and summaries; and

5. any Respondent who fails to deliver documents, witness lists and summaries to Staff by January 4, 2016 may not introduce such evidence at the hearing on the merits in this matter without leave of the panel.

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

"Alan J. Lenczner"

"AnneMarie Ryan"

"Judith N. Robertson"

2.2.4 Salix Pharmaceuticals, Ltd. – s. 144

Headnote

Section 144 – Application for revocation of cease trade order – issuer subject to cease trade order as a result of failure to file financial statements – issuer is also seeking to not be a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer – full revocation granted effective as of the date the issuer is determined to not be a reporting issuer.

Statutes Cited

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

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

AND

IN THE MATTER OF
SALIX PHARMACEUTICALS, LTD.

ORDER
(Section 144 of the Act)

WHEREAS the securities of Salix Pharmaceuticals, Ltd. (the **Applicant**) are subject to a cease trade order dated September 4, 2015 by a Director of the Ontario Securities Commission (the **Commission**) pursuant to paragraph 2 of subsection 127(1) of the Act (the **Ontario Cease Trade Order**) directing that trading in the securities of the Applicant cease unless revoked by a further order by the Director;

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

AND WHEREAS additional cease trade orders were issued by the British Columbia Securities Commission on August 26, 2015 (the **BC Cease Trade Order**), by The Manitoba Securities Commission on September 2, 2015 (the **Manitoba Cease Trade Order**) and by the Autorité des marchés financiers on September 14, 2015 (the **AMF Cease Trade Order**);

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act for a full revocation of the Ontario Cease Trade Order (the **Application**);

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was organized under the laws of the State of Delaware in 2001. Its head office is located in Raleigh, North Carolina.

2. The Applicant is a reporting issuer or the equivalent in each of the provinces of Canada.
3. On April 1, 2015, a wholly-owned subsidiary of Valeant Pharmaceuticals International (**VPI**) merged with and into the Applicant, with the Applicant surviving as a wholly owned subsidiary of VPI (the **Merger**). As a result of the Merger, since April 1, 2015, VPI has been sole holder of shares of common stock (the **Shares**) of the Applicant. VPI is a wholly-owned subsidiary of Valeant Pharmaceuticals International, Inc.
4. The Applicant has US\$118,000 principal amount of 1.5% Convertible Senior Notes due 2019 (the **Notes**) outstanding. The Notes were offered and sold in 2012 in the United States (**U.S.**) in an offering under Rule 144A of the U.S. Securities Act of 1933, as amended, which in the U.S. was restricted to qualified institutional buyers as defined in Rule 144A.
5. The Applicant does not have any securities issued or outstanding other than the Shares and the Notes.
6. No securities of the Applicant, including debt securities, are traded in Canada or any other country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bring together buyers and sellers of securities where trading data is publicly reported.
7. 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 in Canada and fewer than 51 securityholders in total worldwide.
8. The Shares were delisted from trading on Nasdaq Global Select Market effective at the close of market on April 1, 2015.
9. The Ontario Cease Trade Order was issued on September 4, 2015 due to the Applicant’s failure to file its interim unaudited financial statements and interim management’s discussion and analysis and certificates required to be filed under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* for the interim periods ended March 31, 2015 and June 30, 2015.
10. The Applicant has concurrently applied for and expects to be granted revocations of the BC Cease Trade Order, the Manitoba Cease Trade Order and the AMF Cease Trade Order.
11. On September 14, 2015, the Applicant applied to the securities regulatory authority or regulator in each of Alberta, Saskatchewan, Manitoba, Qué-

bec, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Newfoundland and Labrador for a decision under the securities legislation of such jurisdiction to cease to be a reporting issuer under such securities legislation (collectively, the Reporting Issuer Exemptive Relief Sought).

12. Pursuant to subsection 198.1(3) of the *Securities Act* (Alberta) (the **Alberta Act**), the Ontario Cease Trade Order, the BC Cease Trade Order, the Manitoba Cease Trade Order and the AMF Cease Trade Order took effect in Alberta when issued. Pursuant to subsection 198.1(8) of the *Alberta Act*, each of the CTOs shall cease to apply in Alberta upon being revoked by the applicable securities regulatory authority or regulator.
13. The Applicant expects the Reporting Issuer Exemptive Relief Sought to be granted on the same date as this decision.
14. On November 3, 2015, the Applicant filed a notice in accordance with BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* and expects to cease to be a reporting issuer in British Columbia on the same date as this decision.
15. Upon the grant of the Reporting Issuer Exemptive Relief Sought and ceasing to be a reporting issuer in British Columbia, the Applicant will not be a reporting issuer in any jurisdiction in Canada.
16. The Applicant has no intention currently to seek financing by way of a private or public placement in a jurisdiction in Canada.
17. The Applicant is not in default of any requirements of the Ontario Cease Trade Order or the Act or the rules and regulations made pursuant thereto, subject to the deficiencies that led to the issuance of the Ontario Cease Trade Order.
18. The Applicant has paid all outstanding participation fees and filing fees owing to the Commission.
19. The Applicant is not considering, nor is it involved in any discussion relating to, a reverse take-over, amalgamation, merger or other form of combination or transaction similar to the foregoing.
20. The Applicant has not previously been the subject of a cease trade order other than those referred to in this Order.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is fully revoked as of the date on which the Applicant ceases to be a reporting issuer under the Act.

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

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

2.2.5 La Jolla Capital Inc. – s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited

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

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

AND

**IN THE MATTER OF
LA JOLLA CAPITAL INC.**

**ORDER
(Section 144)**

WHEREAS the securities of La Jolla Capital Inc. (the Applicant) are subject to a temporary cease trade order made by the Director dated November 9, 2015 under paragraph 2 of subsection 127(1) and subsection 127(5) of the Ontario *Securities Act* (the Act) and a further cease trade order made by the Director on November 20, 2015 under paragraph 2 of subsection 127(1) of the Act (collectively, the Ontario Cease Trade Order), ordering that all trading in the securities of the Applicant cease until the Ontario Cease Trade Order is revoked by the Director;

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

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the Commission) under section 144 of the Act for a revocation of the Ontario Cease Trade Order.

Representations

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

1. The Applicant is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.
2. The Applicant is not in default of any requirements under Ontario securities law.
3. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law.

4. The Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid.
5. The Applicant's SEDAR profile and SEDI issuer profile supplement are current and accurate.
6. The British Columbia Securities Commission also issued a cease trade order in respect of the securities of the Applicant on November 4, 2015, which order was revoked on December 1, 2015.
7. Upon the issuance of this revocation order, the Applicant will issue a news release announcing the revocation of the Ontario Cease Trade Order. The Applicant will concurrently file the news release regarding the revocation of the Ontario Cease Trade Order on SEDAR.

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

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

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

DATED at Toronto this 11th day of December, 2015

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

2.2.6 Lance Kotton and Titan Equity Group Ltd. – s. 127(8)

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

AND

IN THE MATTER OF
LANCE KOTTON and TITAN EQUITY GROUP LTD.

TEMPORARY ORDER
(Subsection 127(8))

WHEREAS:

1. on November 6, 2015, the Ontario Securities Commission (the “Commission”) ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the “Act”), that:
 - (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Lance Kotton (“Kotton”) and Titan Equity Group Ltd. (“TEG” and, together with Kotton, the “Respondents”) shall cease; and
 - (b) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents(the “Temporary Order”);
2. the Commission further ordered that the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission;
3. on November 9, 2015, the Commission issued a Notice of Hearing providing notice that it will hold a hearing on November 19, 2015, to consider whether, pursuant to subsections 127(7) and 127(8) of the Act, it is in the public interest for the Commission to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considers appropriate;
4. on November 16, 2015, upon application by the Commission pursuant to section 129 of the Act, the Ontario Superior Court of Justice (Commercial List) made an order (the “Appointment Order”) appointing Grant Thornton Limited as receiver and manager (the “Receiver”) without security, of all of the assets, undertakings and properties of Lance Kotton, TEG and other related entities;
5. the Appointment Order empowered and authorized, but did not obligate, the Receiver to, among other things, defend all proceedings pending with respect to Kotton and TEG and other related entities referred to in the Appointment Order;
6. the Receiver, through its counsel, advised that it did not propose to defend the proceedings against the Respondents in respect of the Temporary Order;
7. the Respondents, through their own counsel, consented to an extension of the Temporary Order until December 17, 2015, without prejudice to any position that might be advanced by the Respondents in the future with respect to the Temporary Order or the matters raised in the Notice of Hearing;
8. on November 19, 2015, the Commission ordered pursuant to subsection 127(8) of the Act that:
 - (a) the Temporary Order is extended until December 17, 2015, or until further order of the Commission without prejudice to the right of staff of the Commission (“Staff”) or the Respondents to seek to vary the Temporary Order on application to the Commission; and
 - (b) the hearing of this matter is adjourned until December 16, 2015, at 11:30 a.m., or such other date and time as provided by the Office of the Secretary and agreed to by the parties;
9. the Respondents, through their counsel, have consented to an extension of the Temporary Order until April 15, 2016, without prejudice to any position that might be advanced by the Respondents in the future with respect to the Temporary Order or the matters raised in the Notice of Hearing; and
10. the Commission is of the opinion that it is in the public interest to make this Order.

IT IS ORDERED that:

1. the hearing of this matter scheduled for December 16, 2015, is vacated;
2. the Temporary Order is extended until April 15, 2016, or until further order of the Commission without prejudice to the right of Staff or the Respondents to seek to vary the Temporary Order on application to the Commission; and
3. the hearing of this matter is adjourned until April 14, 2016, at 10:00 a.m., or such other date and time as provided by

the Office of the Secretary and agreed to
by the parties.

DATED at Toronto, Ontario this 15th day of
December, 2015.

“Timothy Moseley”

2.2.7 Assignment of Certain Powers and Duties of the Ontario Securities Commission – s. 6(3)

Headnote

Amended and Restated Assignment of Certain Powers and Duties of the Ontario Securities Commission.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 6(3).

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

AND

**IN THE MATTER OF
THE ASSIGNMENT OF CERTAIN POWERS AND DUTIES OF
THE ONTARIO SECURITIES COMMISSION**

**ASSIGNMENT
[Subsection 6(3)]**

WHEREAS:

- A. On October 25, 2013, pursuant to subsection 6(3) of the Act, the Ontario Securities Commission (the "Commission") issued an assignment (the "October 25, 2013 Assignment") assigning certain of its powers and duties under the *Securities Act* (Ontario) (the "Act") to each "Director" as that term is defined in subsection 1(1) of the Act, acting individually;
- B. The Commission considers it desirable to amend and restate the October 25, 2013 Assignment by adding a new paragraph 2(h.1) where the Commission assigns its powers and duties under subsection 127(4.1) of the Act but only in certain limited circumstances as described in that paragraph;

NOW THEREFORE:

1. The October 25, 2013 Assignment is revoked, without prejudice to the effectiveness of any lawful exercise prior to the date of this revocation of the powers and duties assigned thereby, and is hereby replaced with the following amended and restated assignment (the "Assignment").
2. Pursuant to subsection 6(3) of the Act, the Commission assigns to each Director, acting individually, the powers and duties vested in or imposed on the Commission by:
 - (a) clauses 21(5)(a), 21(5)(b), 21.0.1(a) and 21.0.1(b) of the Act but only:
 - (i) with respect to the review and decision regarding information filed in Form 21-101F1 or Form 21-101F2 or the exhibits thereto, and
 - (ii) where such information relates to matters that do not raise significant regulatory or public interest concerns and do not introduce a novel feature to the capital markets;
 - (b) clauses 21(5)(e), 21.0.1(c) and subsections 21.1(4), 21.2(3) and 21.2.1(3) of the Act, but only in respect of by-laws, rules, regulations, policies, procedures, interpretations or practices that
 - (i) do not raise significant regulatory or public interest concerns and,
 - (ii) where they relate to an exchange, a quotation and trade reporting system, an alternative trading system or a clearing agency, do not introduce a novel feature to the capital markets;
 - (b.1) clauses 21(5)(a) and 21.2(3) 2 of the Act, but only in respect of matters requiring approval under the terms and conditions of a Commission order recognizing an exchange or a clearing agency that

- (i) do not raise significant regulatory or public interest concerns and,
- (ii) do not introduce a novel feature to the capital markets;
- (c) subsection 62(5) of the Act;
- (d) section 74 of the Act, but only in respect of orders that a person or company is not subject to section 53 of the Act in connection with solicitations of expressions of interest before the filing of a preliminary short form prospectus in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* for securities to be issued pursuant to an over-allotment option granted to an underwriter by an issuer or a selling securityholder of an issuer;
- (e) subclause 1(10)(a)(ii) of the Act but only in respect of a reporting issuer:
 - (i) whose outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in Ontario and fewer than 51 securityholders in total worldwide,
 - (ii) whose securities, including debt securities, are not 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,
 - (iii) that is not in default of any of its obligations as a reporting issuer, and
 - (iv) that will not be a reporting issuer in any jurisdiction of Canada immediately following the Director making an order that the reporting issuer is not a reporting issuer;
- (f) clause 1(11)(b) of the Act, in the circumstances described in Parts 2 and 3 of Ontario Securities Commission Policy 12-602 *Designating an Issuer in Certain Other Canadian Jurisdictions as a Reporting Issuer in Ontario*;
- (g) paragraph 1 of subsection 127(1) of the Act, provided the making of the order under subsection 127(1) of the Act is not contested on its merits and is only in respect of suspending the registration of:
 - (i) a registrant that has, in the opinion of the Director, acted contrary to the public interest and consents to such suspension; and
 - (ii) a registrant that has filed an application to surrender the registrant's registration pursuant to section 30 of the Act and has also consented to the suspension of the registrant's registration;
- (h) paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act and subsections 127(2), (3), (5), (7), (8) and (9) of the Act, provided that the making of the order under subsections 127(1), (7) or (8) of the Act is not contested on its merits and is only in respect of
 - (i) trading, generally or by a person or company identified in the cease trade order, or acquisition, by a particular person or company identified in the cease trade order, in or of securities of a reporting issuer that has failed to file, as applicable,
 - A. comparative annual financial statements or interim financial reports containing the statements and the notes required by National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") or by National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("NI 71-102"),
 - B. an auditor's report issued in connection with comparative annual financial statements required by NI 51-102, and NI 71-102,
 - C. an AIF, MD&A, information circular, or business acquisition report (all as defined by NI 51-102 and by NI 71-102) containing information for each of the content items required by NI 51-102 and the applicable form, by Part 5 of National Instrument 52-110 *Audit Committees* ("NI 52-110") or by NI 71-102,
 - D. a report on reserves data and other oil and gas information as required by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") containing information for each of the content items required by NI 51-101 and Form 51-101F2,

- E. a technical report as required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") containing information for each of the content items required by NI 43-101 and Form 43-101F1, or
- F. certification of filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109")

within the time period prescribed by Ontario securities law;

- (ii) trading, generally or by a person or company identified in the cease trade order, or acquisition, by a particular person or company identified in the cease trade order, in or of securities of a reporting issuer that has acknowledged in writing that comparative annual financial statements or interim financial reports filed with the Commission were not prepared in accordance with generally accepted accounting principles, including, but not limited to, where an issuer has advised the Commission or staff in writing, or has publicly announced, that it intends to restate such financial statements;
 - (iii) trading, generally or by a person or company identified in the cease trade order, or acquisition, by a particular person or company identified in the cease trade order, in or of securities of a reporting issuer that has filed its financial statements accompanied by an auditor's report prepared by a public accounting firm that is, as of the date of the auditor's report, not a participating audit firm as defined by National Instrument 52-108 *Auditor Oversight*, or is not in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board;
- (h.1) Subsection 127(4.1) of the Act, provided that the making of the order is only in respect of trading, generally or by a person or company identified in the cease trade order, or acquisition, by a particular person or company identified in the cease trade order, in or of securities of a reporting issuer that has failed to file, as applicable,
- (i) comparative annual financial statements or interim financial reports containing the statements and the notes required by NI 51-102 or by NI 71-102,
 - (ii) an auditor's report issued in connection with comparative annual financial statements required by NI 51-102, and NI 71-102,
 - (iii) an AIF or MD&A, (all as defined by NI 51-102 and by NI 71-102) containing information for each of the content items required by NI 51-102 and the applicable form, by Part 5 of NI 52-110, or by NI 71-102,
 - (iv) certification of filings as required by NI 52-109

within the time period prescribed by Ontario securities law.

- (i) subsection 140(2) of the Act in the circumstances described in clauses (b), (c) and (j) of section C of Ontario Securities Commission Policy 13-601 *Public Availability of Material Filed Under the Securities Act*,
- (j) section 144 of the Act to:
 - (i) revoke or vary any decision made by a Director under authority assigned to him or her by the Commission pursuant to this Assignment or a predecessor Assignment, including another decision made under section 144 of the Act, but only if at the time of revoking or varying such decision the Director would have been authorized to make the decision being varied or revoked, or
 - (ii) vary any order made by the Commission under section 127 of the Act to the extent necessary to permit transfers of securities as contemplated by Section 3.2 of National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order*,

provided that a person or company directly affected by a decision of a Director made pursuant to this Assignment may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after the mailing of the notice of the decision, request and be entitled to a hearing and review of such decision by the Commission.

3. The Executive Director of the Commission shall from time to time determine which one or more other Directors, in each case acting alone, should, as an administrative matter, exercise each of the powers or perform each of the duties

assigned by the Commission in paragraph 2 above, each of which powers may also be exercised and performed by the Executive Director, acting alone.

4. No person or company shall be required to inquire as to the authority of a member of the staff of the Commission to sign a decision pursuant to this Assignment in the capacity of a Director, and a decision purporting to be signed pursuant to this Assignment by a member of the staff of the Commission in the capacity of a Director shall be conclusively deemed to have been signed by a Director authorized by this Assignment without proof of such authority.
5. This Assignment does not preclude the Commission from itself exercising or performing any of the assigned powers or duties.

DATED this 14th day of December, 2015.

“Monica Kowal”
Acting Chair & Vice-Chair
Ontario Securities Commission

“Grant Vingoe”
Vice-Chair
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Zhen (Steven) Pang and Oasis World Trading Inc. – ss. 127(1), 127(2), 127.1

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

AND

**IN THE MATTER OF
ZHEN (STEVEN) PANG and OASIS WORLD TRADING INC.**

**ORDER
(Subsections 127(1) and 127(2) and section 127.1)**

WHEREAS:

1. on December 10, 2015, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) in relation to a Statement of Allegations filed by Staff of the Commission (“Staff”) (the “Statement of Allegations”) on December 10, 2015, in respect of Zhen (Steven) Pang (“Pang”) and Oasis World Trading Inc. (“Oasis”) (together, the “Respondents”);
2. the Notice of Hearing gave notice that on December 14, 2015, the Commission would hold a hearing to consider whether it is in the public interest to approve a settlement agreement between Staff and the Respondents dated December 10, 2015 (the “Settlement Agreement”);
3. Oasis has retained an independent consultant (“the Monitor”), approved by Staff, to design and implement a new compliance structure;
4. the Commission reviewed the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and heard submissions from counsel for the Respondents and Staff; and
5. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents are reprimanded;
3. pursuant to paragraph 8 of subsection 127(1) and subsection 127(2) of the Act, Pang shall be prohibited from acting as a director or officer of Oasis, and shall not be involved in any way with proprietary trading at Oasis, for one year from the date of this order;
4. pursuant to paragraph 8 of subsection 127(1) of the Act, Pang shall be prohibited from becoming or acting as a director or officer of any issuer that is in the business of trading on any recognized Canadian exchange for one year from the date of this order;
5. pursuant to paragraph 9 of subsection 127(1) of the Act, Oasis shall pay an administrative penalty of \$225,000 to the Commission, which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
6. pursuant to section 127.1 of the Act, Oasis shall pay the costs of the Commission’s investigation in the amount of \$75,000;
7. with regard to the payments referred to in paragraphs 5 and 6 (the “Required Payments”), Oasis shall pay \$150,000 by way of certified cheque upon the date of this order and then \$20,000 per month, beginning within one week of the submission of the Monitor’s first report to Staff, and at one month intervals (or the closest business day) thereafter until the Required Payments are made in full;
8. if Oasis fails to make any of the payments required by paragraph 7 above, the remaining unpaid balance becomes due and owing immediately; and

9. pursuant to section 127(2) of the Act, Oasis shall:
 - a. within six months of the date of this order, cause the Monitor to assess Oasis's new compliance structure and provide a report to Staff; and
 - b. within one year of the date of this order, cause the Monitor to conduct a further assessment and provide a final report to Staff.

DATED AT TORONTO this 14th day of December, 2015.

"Timothy Moseley"

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

AND

**IN THE MATTER OF
ZHEN (STEVEN) PANG and OASIS WORLD TRADING INC.**

**SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND
ZHEN (STEVEN) PANG and OASIS WORLD TRADING INC.**

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to approve this settlement agreement between Staff of the Commission (“Staff”) and Zhen (Steven) Pang (“Pang”) and Oasis World Trading Inc. (“Oasis”) (“the Respondents”) (the “Settlement Agreement”), and to make certain orders in respect of the Respondents.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing against the Respondents in accordance with the terms and conditions set out below. The Respondents consent to the making of an order against them in the form attached as Schedule “A” on the basis of the facts set out below.

PART III – AGREED FACTS

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

A. Overview

4. Oasis is in the business of proprietary day trading in Canadian equities. It has approximately 40 branch offices with approximately 200 traders, all of whom are located in China.
5. During a thirteen month period spanning November 2013 to December 2014 (the “Material Time”), certain traders at Oasis engaged in at least 460 instances of manipulative trading on Canadian securities markets. The orders entered by these traders created a false or misleading appearance of market activity which allowed them to trade at artificial prices, thereby breaching section 126.1(1)(a) of the Act.
6. While Pang did not know that certain Oasis traders were engaged in manipulative trading, he ought to have known. Pang, as a director and officer of Oasis, failed to adequately monitor trading activities at Oasis and ensure there was an adequate compliance structure in place to identify and prevent possible manipulative trading, thereby indirectly engaging or participating in an act, practice or course of conduct relating to securities that he ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to section 126.1(1)(a) of the Act.

B. The Respondents

7. Oasis was incorporated under the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, on November 23, 2012 as Inspire World Trading Inc. The company changed its name to Oasis on April 11, 2013. Oasis’ head office is located in Hamilton, Ontario. Oasis has never been registered with the Commission in any capacity.
8. Pang was an Ontario resident during the Material Time. He founded Oasis in November 2012. He was the sole officer and director of Oasis during the Material Time. He has never been registered with the Commission in any capacity.
9. Pang traded as a proprietary day trader of U.S. equities for more than five years for a firm. He was also an office manager responsible for overseeing other traders during that period. During the Material Time, Pang was familiar with the Universal Market Integrity Rules (“UMIR”) and securities laws with respect to market manipulation.

C. Overview of Trading by Oasis

10. Oasis enters orders and trades on Canadian marketplaces as a direct electronic access (“DEA”) client of JitneyTrade Inc. (“JitneyTrade”). JitneyTrade is registered as an Investment Dealer in all provinces and territories of Canada. Oasis began trading using its DEA account at JitneyTrade in April 2013.
11. JitneyTrade is an agency-based discount broker that specializes in providing DEA for active traders. The main source of revenue for JitneyTrade is commissions from trading by its clients.
12. All of Oasis’ traders are located in China. There are approximately 40 branch offices in China. There is no requirement at Oasis for traders to actually work from the branch office. A trader can work from anywhere as long as he or she has an internet connection.
13. All trading done by Oasis traders is routed through JitneyTrade to Canadian marketplaces. Traders at Oasis use a proprietary and customized trading platform developed and sourced by a third party.
14. During the Material Time, all of Oasis’ order and trade activity at JitneyTrade was placed under one user id and as such, it could not be determined outside of Oasis which trader at Oasis was responsible for any specific order/trade.
15. Oasis traders use the firm’s capital to trade. Their compensation and continued trading are based entirely on profits they generate from trading. There are controls in the Oasis trading platform to lock out traders once they lose beyond a nominal dollar limit per day (\$50-\$200 is the daily net loss limit for new traders). Overnight positions are prohibited for traders; all positions must be flattened by the end of the trading day.
16. During the Material Time, Pang determined and allocated the traders’ buying power, established loss limits and dictated the profit distribution for managers and traders. He was in charge of the training and oversight of all of Oasis’ traders. The branch office managers in China were responsible for hiring their own traders at their own expense, subject to final approval by Pang. Pang was also responsible for terminating Oasis traders.

D. Market Manipulation by Certain Oasis Traders

17. During the Material Time, certain Oasis traders engaged in at least 460 incidents of market manipulation, including, but not limited to practices known as intraday spoofing involving at least 24 different securities.
18. Intraday spoofing involves the use of non-bona fide orders, or orders that the trader does not intend to have executed, to induce others to buy or sell the security at a price not representative of actual supply or demand. More specifically, a trader places a non-bona fide buy (or sell) order. If that order is followed by another market participant, the trader will then enter a number of non-bona fide buy (or sell) orders for the purpose of attracting interest to that side of the order book. These non-bona fide orders are not intended to be executed. The purpose of these non-bona fide orders is to create a false impression of interest on that side of the order book. The trader will then enter an order for execution on the other side of the market at the better price. Either before or immediately after switching sides to trade, the trader cancels the open, non-bona fide orders and the quote returns to the pre-spoofing level.
19. More specifically, certain Oasis traders engaged in intraday spoofing on certain days in the Material Time by executing the following pattern in quick succession:
 - (a) Posting orders that improved the National Best Bid (“NBB”) or National Best Offer (“NBO”) in increments at a time, waiting for another market participant to react and then repeating until the NBB or NBO reached a price at which the Oasis trader would like to trade or until the counterparty stopped following;
 - (b) After inducing or baiting other market participants to increase or decrease the price of their bids or offers, the Oasis trader then entered an active order on the other side of the market to trade at the better price;
 - (c) The Oasis trader then cancelled the baiting orders shortly before or after the trades; and
 - (d) As a result of the cancellation by the Oasis trader, the quote returned to the pre-spoofing level.
20. As a result of this trading pattern, trades were executed at artificial prices because the fill of the order described in paragraph 19(b) above took place at a higher price (or lower) than the NBB/NBO before the non bona fide orders were entered by the trader. These orders were intended to deceive and did deceive certain counterparties into buying (or selling) stocks from (or to) the trader at prices that had been artificially raised (or lowered) by the trader.
21. This process was usually repeated multiple times on the same day.

22. A sampling of the month of April 2014, showed that there were at least 357 incidents of intraday spoofing by certain Oasis traders. The 357 incidents represented 0.14% (fourteen one hundredths of a percent) of Oasis' total number of trades for that month and 0.04% (four one hundredths of a percent) of the total volume traded by Oasis that month. Although the 460 incidents of intraday spoofing may not have been a large percentage of Oasis' overall trading, they represented a very high proportion of the orders placed in the market in relation to the securities in question, which tended to be thinly traded. The trades involving intraday spoofing resulted in or contributed to a false or misleading impression as to the supply of, or demand for, shares listed on the various Canadian marketplaces and allowed these traders to trade at artificial prices.
23. While Pang did not know that certain Oasis traders were engaged in manipulative trading, he ought to have known. While Pang worked with JitneyTrade to identify and sanction traders whose conduct was identified by JitneyTrade as raising red flags, Oasis and in particular Pang should have taken greater steps to monitor for and ensure that manipulative trading was not taking place. Pang failed to adequately monitor trading activities at Oasis and failed to ensure there were adequate procedures in place to monitor trading activities and to check for possible manipulative trading.
24. As founder, officer and director of Oasis, Pang was ultimately responsible for Oasis' compliance with Ontario securities legislation. Pang's conduct fell short of the standard expected of an officer and director participating in the Ontario capital markets.

E. Conduct Breaching the Securities Act and Contrary to the Public Interest

25. The Respondents admit to the following breaches:
- (a) During the Material Time, Oasis directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities that it knew or ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to section 126.1(1)(a) of the Act; and
 - (b) During the Material Time, Pang, as a director and officer of Oasis, failed to adequately monitor trading activities at Oasis and ensure there was an adequate compliance structure in place to identify and prevent possible manipulative trading, thereby indirectly engaging or participating in an act, practice or course of conduct relating to securities that he ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to section 126.1(1)(a) of the Act.

PART IV – THE POSITION OF THE RESPONDENTS

26. The Respondents request that the settlement hearing panel consider the following mitigating circumstances:
- (a) Prior to the approval of the Settlement Agreement, all of the traders who were responsible for the manipulative trading were terminated and their names and home addresses were provided to Staff;
 - (b) Since Staff first identified the trading conduct in issue, and prior to entering into the Settlement Agreement with Staff, the Respondents have taken measures to improve Oasis' compliance platform in an effort to restrict the opportunity for traders at Oasis to engage in manipulative trading in the future;
 - (c) Pursuant to the terms of their settlement with Staff, the Respondents have retained an independent consultant ("the Monitor"), who was approved in advance by Staff, to design a new compliance structure that will be implemented by Oasis. The new compliance structure will be tested by the Monitor within six months following the approval of this settlement and the Monitor will provide a report to Staff within those six months following the approval of this settlement. The Monitor will provide a final report to Staff within one year following the approval of the settlement;
 - (d) Oasis is a small company and the size of the monetary penalty is proportionately severe compared to Oasis' revenues;
 - (e) Neither of the Respondents was a registrant and Oasis' trading was being conducted through JitneyTrade, which is a registrant, in the expectation that JitneyTrade would identify and advise Oasis about any questionable trading;
 - (f) The Respondents acknowledge and accept responsibility for their conduct and omissions;

- (g) The Respondents cooperated fully with Staff; and
- (h) The Respondents have not been the subject of any prior Commission proceedings or orders.

PART IV – TERMS OF SETTLEMENT

- 27. The Respondents agree to the terms of settlement listed below.
- 28. The Commission will make an order that:
 - (a) The Settlement Agreement is approved;
 - (b) Pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents are reprimanded;
 - (c) Pursuant to paragraph 8 of subsection 127(1) and subsection 127(2) of the Act, Pang shall be prohibited from acting as a director or officer of Oasis, and shall not be involved in any way with proprietary trading at Oasis, for one year from the date of the order;
 - (d) Pursuant to paragraph 8 of subsection 127(1) of the Act, Pang shall be prohibited from becoming or acting as a director or officer of any issuer that is in the business of trading on any recognized Canadian exchange for one year from the date of the order;
 - (e) Pursuant to paragraph 9 of subsection 127(1) of the Act, Oasis shall pay an administrative penalty of \$225,000 to the Commission, which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
 - (f) Pursuant to section 127.1 of the Act, Oasis shall pay the costs of the Commission's investigation in the amount of \$75,000;
 - (g) With regard to the payments referred to in subparagraphs 28(e) and 28(f) (the "Required Payments"), Oasis shall pay \$150,000 by way of certified cheque upon the date of the order and then \$20,000 per month, beginning within one week of the submission of the Monitor's first report to Staff, and at one month intervals (or the closest business day) thereafter until the Required Payments are made in full;
 - (h) If Oasis fails to make any of the payments required by subparagraph 28(g) above, the remaining unpaid balance becomes due and owing immediately; and
 - (i) Pursuant to section 127(2) of the Act, Oasis shall:
 - (i) within six months of the date of the order, cause the Monitor to assess Oasis's new compliance structure and provide a report to Staff; and
 - (ii) within one year of the date of the order, cause the Monitor to conduct a further assessment and provide a final report to Staff.

PART V – STAFF COMMITMENT

- 29. If the Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against the Respondents in relation to the facts set out in Part III herein.
- 30. If the Settlement Agreement is approved by the Commission, and at any subsequent time the Respondents fail to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against the Respondents based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VI – PROCEDURE FOR APPROVAL OF SETTLEMENT

- 31. Approval of the Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and the Respondents for the scheduling of the hearing to consider the Settlement Agreement.

- 32. Staff and the Respondents agree that the Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding their conduct, unless the parties agree that further facts should be submitted at the settlement hearing.
- 33. If the Settlement Agreement is approved by the Commission, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
- 34. If the Settlement Agreement is approved by the Commission, none of the parties shall make any public statement that is inconsistent with the Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.
- 35. Whether or not the Settlement Agreement is approved by the Commission, the Respondents agree that they will not, in any proceeding, refer to or rely upon the Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VII – DISCLOSURE OF SETTLEMENT AGREEMENT

- 36. If, for any reason whatsoever, the Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:
 - (a) The Settlement Agreement and its terms, including all settlement negotiations between Staff and the Respondents leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and the Respondents; and
 - (b) Staff and the Respondents shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and the Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.
- 37. The terms of the Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of the Respondents and Staff or as may be required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

- 38. This Settlement Agreement may be signed on one or more counterparts which together will constitute a binding agreement.
- 39. A facsimile copy of any signature will be as effective as an original signature.

Signed in the presence of:

"Suzanne Haskett"
Witness

"Zhen (Steven) Pang"
Zhen (Steven) Pang

"Suzanne Haskett"
(Print Name)

Dated this 11th day of December, 2015

"Suzanne Haskett"
Witness

"Zhen (Steven) Pang"
Oasis World Trading Inc.
Per Zhen (Steven) Pang
"I have authority to bind the corporation."

"Suzanne Haskett"
(Print Name)

Dated this 11th day of December, 2015

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Karen Manarin"

Per: Tom Atkinson

Director, Enforcement Branch

Dated this 11th day of December, 2015

Schedule "A"

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

AND

**IN THE MATTER OF
ZHEN (STEVEN) PANG and OASIS WORLD TRADING INC.**

**ORDER
(Subsections 127(1) and 127(2) and section 127.1)**

WHEREAS:

1. on December 10, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") (the "Statement of Allegations") on December 10, 2015, in respect of Zhen (Steven) Pang ("Pang") and Oasis World Trading Inc. ("Oasis") (together, the "Respondents");
2. the Notice of Hearing gave notice that on December 14, 2015, the Commission would hold a hearing to consider whether it is in the public interest to approve a settlement agreement between Staff and the Respondents dated December 10, 2015 (the "Settlement Agreement");
3. Oasis has retained an independent consultant ("the Monitor"), approved by Staff, to design and implement a new compliance structure;
4. the Commission reviewed the Settlement Agreement, the Notice of Hearing and the Statement of Allegations, and heard submissions from counsel for the Respondents and Staff; and
5. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;
2. pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents are reprimanded;
3. pursuant to paragraph 8 of subsection 127(1) and subsection 127(2) of the Act, Pang shall be prohibited from acting as a director or officer of Oasis, and shall not be involved in any way with proprietary trading at Oasis, for one year from the date of this order;
4. pursuant to paragraph 8 of subsection 127(1) of the Act, Pang shall be prohibited from becoming or acting as a director or officer of any issuer that is in the business of trading on any recognized Canadian exchange for one year from the date of this order;
5. pursuant to paragraph 9 of subsection 127(1) of the Act, Oasis shall pay an administrative penalty of \$225,000 to the Commission, which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
6. pursuant to section 127.1 of the Act, Oasis shall pay the costs of the Commission's investigation in the amount of \$75,000;
7. with regard to the payments referred to in paragraphs 5 and 6 (the "Required Payments"), Oasis shall pay \$150,000 by way of certified cheque upon the date of this order and then \$20,000 per month, beginning within one week of the submission of the Monitor's first report to Staff, and at one month intervals (or the closest business day) thereafter until the Required Payments are made in full;
8. if Oasis fails to make any of the payments required by paragraph 7 above, the remaining unpaid balance becomes due and owing immediately; and

Decisions, Orders and Rulings

9. pursuant to section 127(2) of the Act, Oasis shall:
 - a. within six months of the date of this order, cause the Monitor to assess Oasis's new compliance structure and provide a report to Staff; and
 - b. within one year of the date of this order, cause the Monitor to conduct a further assessment and provide a final report to Staff.

DATED AT TORONTO this ____ day of _____, 2015.

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.2 Director's Decisions

3.2.1 Edward Andrew Rempel

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

AND

IN THE MATTER OF
AN APPLICATION FOR REGISTRATION BY
EDWARD ANDREW REMPEL

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. This settlement agreement (the "**Settlement Agreement**") relates to an application (the "**Application**") for a reactivation of registration under the *Securities Act* (Ontario) (the "**Act**") by Edward Andrew Rempel ("**Rempel**") as a mutual fund dealing representative with Canfin Magellan Investments Inc.
2. In reviewing the Application, staff of the Ontario Securities Commission ("**Staff**") became aware of information regarding Rempel's conduct as a registrant which could form the basis for a recommendation by Staff to the Director that the Application be refused pursuant to section 27 of the Act.
3. In the event that Staff recommended to the Director that the Application be refused, Rempel would be entitled to an opportunity to be heard (an "**OTBH**") pursuant to section 31 of the Act in respect of Staff's recommendation.
4. In lieu of pursuing an OTBH, Staff and Rempel have agreed to make a joint recommendation to the Director regarding the Application, as more particularly described in this Settlement Agreement.

II. AGREED STATEMENT OF FACTS

5. The parties agree to the facts as stated herein.

A. Rempel's Registration History

6. Rempel has been registered under the Act as follows:
 - (a) September 19, 1994 to August 22, 2000 – salesperson (mutual funds, limited market dealer), W. H. Stuart Mutuals Ltd.;
 - (b) August 30, 2000 to November 9, 2001 – salesperson (mutual funds), Status Financial Inc.;
 - (c) November 14, 2001 to September 28, 2009 – salesperson (mutual funds, limited market dealer), Armstrong & Quaile Associates Inc. ("**A&Q**");
 - (d) September 28, 2009 to May 29, 2015 – mutual fund dealing representative and exempt market dealing representative, A&Q; and
 - (e) May 29, 2015 to August 5, 2015 – mutual fund dealing representative and exempt market dealing representative, Sterling Mutuals Inc. ("**Sterling**").
7. On August 5, 2015, Rempel voluntarily resigned from Sterling. It is Rempel's understanding that he resigned in good standing, however Sterling has advised Staff that had Rempel not resigned, the firm would have terminated his employment on the basis of the misconduct referred to in section C of part II of this Settlement Agreement.

8. Since his resignation from Sterling, Rempel has not been registered under the Act.

B. Submission of the Application

9. On August 11, 2015, Rempel submitted the Application. At that time, a hearing by the Mutual Fund Dealers Association of Canada (the “**MFDA**”) into certain allegations of misconduct on the part of Rempel (the “**Allegations**”) had been completed, and a decision on the Allegations by the MFDA was pending.

10. Subsection 27(1) of the Act states: “[o]n receipt of an application by a person ... and all information ... required by the Director” the Director shall register the person unless it appears to the Director that the person is not suitable for registration or that their registration is otherwise objectionable.

11. On September 1, 2015, Staff notified counsel for Rempel that the Allegations were of such a nature that, if true, they would impugn Rempel’s suitability for registration as they indicated that he may lack the requisite integrity for registration. Accordingly, Staff was of the view that the MFDA hearing panel’s pending findings with respect to the Allegations was information that was required under subsection 27(1), and that the Application was therefore incomplete.

12. The Application was held in abeyance pending the MFDA hearing panel’s decision regarding the Allegations.

C. The Allegations and Finding of Misconduct

13. The Allegations were issued against Rempel in a Notice of Hearing dated October 15, 2013 bearing MFDA file number 201348, and were as follows:

Allegation #1: On September 19, 2011, without the knowledge or prior written consent of his firm, Rempel telephoned client KS, who had filed a complaint against Rempel with his firm, in order to:

- (a) persuade client KS to withdraw part of his complaint against Rempel;
- (b) offer to compensate client KS for the deferred sales charges he would incur if he withdrew his complaint and collapsed the leveraged investment strategy that was the subject matter of the complaint; and
- (c) impose conditions on his proposal to client KS in order to keep the proposal secret;

contrary to MFDA Rules 2.1.1 and 2.1.4, MFDA Policy No. 3 and the Policies and Procedures of the Member Firm.

Allegation #2: On November 28, 2011, prior to learning that client KS had recorded the telephone conversation of September 19, 2011 referred to in Allegation #1, Rempel sent a written statement to the MFDA in which he falsely denied that he had attempted to:

- (a) persuade client KS to withdraw all or part of his complaint; and
- (b) negotiate a settlement with client KS without the prior written consent of his firm;

contrary to MFDA Rule 2.1.1 and section 22.1 of MFDA By-law No. 1.

14. On November 10, 2014 Rempel successfully completed the Conduct and Practices Handbook Course.

15. On November 24-28, 2014, January 12-14, 2015, February 4, 2015, and May 6, 2015, the MFDA held a hearing into the Allegations. In a written decision dated September 3, 2015 (the “**Merits Decision**”), the MFDA found that the Allegations had been established against Rempel.

16. The misconduct found by the MFDA in the Merits Decision impugns Rempel’s integrity, and therefore his suitability, for registration.

17. On November 2, 2015, the MFDA held the penalty hearing to determine the appropriate sanction to impose on Rempel. On that day, the MFDA panel accepted a joint submission by counsel for Rempel and staff of the MFDA and ordered that the following sanctions be imposed on Rempel (the “**Sanctions Decision**”):

- (a) from November 2, 2015 (the date of the hearing on sanctions) until August 5, 2018 (three years from the date Rempel ceased to be registered), Rempel is prohibited from conducting securities related business while in the employ of or associated with a member of the MFDA;
- (b) after August 5, 2018, if Rempel seeks to become re-registered to conduct securities related- business while in the employ of or associated with a member of the MFDA, Rempel shall be subject to strict supervision by the member with which he becomes re-registered for a period of 12 months from the date that he becomes re-registered;
- (c) Rempel shall pay a fine in the amount of \$100,000; and
- (d) Rempel shall pay costs in the amount of \$25,000.

D. Additional Warnings and Cautions Issued to Rempel

18. Prior to the initiation of the proceedings against Rempel in respect of the Allegations, the MFDA issued warning and cautionary letters to Rempel as follows (the “**Warnings and Cautions**”):
- (a) January 30, 2009 – a letter was issued regarding an allegation that Rempel had made unsuitable leverage recommendations to certain of his clients;
 - (b) May 10, 2013 – a letter was issued regarding an allegation that Rempel had made an unsuitable investment recommendation to one of his clients; and
 - (c) July 4, 2013 – a letter was issued regarding an allegation that Rempel provided an unbalanced presentation of the risk and benefits of using leverage in an investment plan document he created for certain of his clients, and that leverage recommendations he made to those clients were unsuitable for them.
19. The Warnings and Cautions are of concern to Staff as they may impugn Rempel’s proficiency for the purpose of registration.

IV. JOINT RECOMMENDATION TO THE DIRECTOR

20. In order to resolve the matter of the Application, and on the basis of the findings in the Merits Decision, the penalties imposed on Rempel in the Sanctions Decision, and the Warnings and Cautions, Rempel and Staff make the following joint recommendation to the Director:
- (a) Rempel will withdraw the Application and will not reapply for registration in any capacity, nor will he act as a permitted individual, until at least August 5, 2018;
 - (b) if Rempel complies with paragraphs 20(a) above, then upon Rempel reapplying for registration in the future as a dealing representative with a registered mutual fund dealer, Staff will not recommend to the Director that his application be refused unless Staff becomes aware after the date of this Settlement Agreement of conduct impugning Rempel’s suitability for registration or rendering his registration objectionable, and provided he meets all other applicable criteria for registration at the time he applies for registration; and
 - (c) in the event Rempel’s registration is reactivated his registration shall be subject to the terms and conditions set out in Schedule “A” for a period of at least one year.
21. The Parties submit that their joint recommendation is reasonable, having regard to the following factors:
- (a) While the period of registration prohibition contemplated by this Settlement Agreement is lengthy, it is commensurate with the seriousness of the misconduct found by the MFDA in its Merits Decision, and as reflected in the Sanctions Decision;
 - (b) Rempel has suffered financial and reputational harm as a result of his misconduct;
 - (c) By agreeing to this Settlement Agreement, Rempel has saved Staff and the Director the time and resources that would have been required for an OTBH.
22. Staff and Rempel acknowledge that if the Director does not accept this joint recommendation:

Reasons: Decisions, Orders and Rulings

- (a) this joint recommendation and all discussions and negotiations between Staff and Rempel in relation to this matter shall be without prejudice to the parties; and
- (b) Rempel will be entitled to an OTBH in accordance with section 31 of the Act in respect of any recommendation that may be made by Staff regarding his registration status.

23. The parties agree that this Settlement Agreement, and any Director's decision approving of it, will be published on the OSC's website and in the OSC Bulletin.

"Debra Foubert"
Debra Foubert
Director
Compliance and Registrant Regulation

"Edward Rempel"
Edward Andrew Rempel

December 4, 2015
Date

November 30, 2015
Date

Schedule "A"

Terms and Conditions

The registration of Edward Andrew Rempel (the "**Registrant**") under the *Securities Act* (Ontario) (the "**Act**") is subject to the following terms and conditions, which were imposed by the Director pursuant to section 27 of the Act:

Strict Supervision

1. For a period of at least twelve months from the date these terms and conditions are imposed:
 - (a) The registration of the Registrant shall be subject to strict supervision by his sponsoring firm.
 - (b) The Registrant's sponsoring firm is to submit written monthly supervision reports (in the form specified in Appendix A) to the Ontario Securities Commission (the "**OSC**"), Attention: Deputy Director, Registrant Conduct Team, Compliance and Registrant Regulation Branch, and also to the Mutual Fund Dealers Association ("**MFDA**"), Attention: Manager, Compliance. These reports will be submitted within 15 calendar days after the end of each month.
 - (c) The Registrant must immediately report to the OSC's Deputy Director, Registrant Conduct, Compliance and Registrant Regulation Branch if he is under investigation by the MFDA or is reprimanded in any way by the MFDA.

These terms and condition of registration constitute Ontario securities law, and a failure by the Registrant to comply with these terms and conditions may result in further regulatory action against him, including a suspension of his registration.

Appendix "A"

Strict Supervision Report

I hereby certify that supervision has been conducted for the month ending _____, 201_ of the trading activities of Edward Andrew Rempel (the "Registrant") by the undersigned. I further certify the following:

1. All orders, both buy and sell, and sales contracts have been reviewed by a supervising officer of [Insert name of dealer] prior to the trade occurring.
2. All client accounts have been reviewed for leveraging, suitability of investments, overconcentration of investments, excess trading or switching, and any amendments to know your client information.
3. A review of trading activity on a daily basis has been conducted of the dealing representative's client accounts.
4. No transactions have been made in any client account until the full and correct documentation is in place.
5. The Registrant has not been granted any power of attorney over any client accounts.
6. All payments for the purchase of the investments were made payable to the dealer or the mutual fund company. There were no cash payments accepted.
7. No client complaints have been received during the preceding month. If there have been complaints, an outline of the nature of the complaint and follow-up action initiated by the company is attached.*
8. There has been no handling of clients' funds or securities or issuance of cheques to clients without management approval.
9. Any transfer of funds or securities between clients' accounts has been authorized in writing and reviewed by the supervising officer.
10. Spot audits relative to the Registrant's client accounts have been conducted during the preceding month to ensure compliance with these procedures and no violations of these procedures were discovered.

* In the event of client complaints or violations of securities legislation and/or the dealer's internal policies and procedures, the Ontario Securities Commission must be notified immediately.

Date

Signature of Supervising Officer

Name of Supervising Officer

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
FPS Pharma Inc.	9 December 2015	21 December 2015		
Global SeaFarms Corporation	9 December 2015	21 December 2015		
Iona Energy Inc.	9 December 2015	21 December 2015		
La Jolla Capital Inc.	9 November 2015	20 November 2015	20 November 2015	11 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
Pacific Coal Resources Ltd.	01 December 2015	14 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	4 December 2015		
Pacific Coal Resources Ltd.	01 December 2015	14 December 2015	14 December 2015		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

B2Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Base Shelf Prospectus dated December 11, 2015

NP 11-202 Receipt dated December 11, 2015

Offering Price and Description:

US\$300,000,000.00

Debt Securities
Warrants
Subscription Receipts
Units

Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2428812

Issuer Name:

Firm Capital Mortgage Investment Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated December 8, 2015

NP 11-202 Receipt dated December 8, 2015

Offering Price and Description:

\$20,000,000.00 - 5.50% Convertible Unsecured
Subordinated Debentures due December 31, 2022
Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

TD Securities Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
CIBC World Markets Inc.
Dundee Securities Ltd.
GMP Securities L.P.
Desjardins Securities Inc.

Promoter(s):

-

Project #2426794

Issuer Name:

George Weston Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated December 8, 2015

NP 11-202 Receipt dated December 9, 2015

Offering Price and Description:

\$1,000,000,000.00 - Debt Securities (unsecured) Preferred
Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2427856

Issuer Name:

Lydian International Limited
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Short Form Prospectus
dated December 7, 2015

NP 11-202 Receipt dated December 8, 2015

Offering Price and Description:

\$* - * Subscription Receipts, each representing the right to
receive one Ordinary Share
Price: \$ * per Subscription Receipt

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
National Bank Financial Inc.
Sprott Private Wealth L.P.

Promoter(s):

-

Project #2427228

Issuer Name:

Manulife Financial Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated December 10, 2015

NP 11-202 Receipt dated December 10, 2015

Offering Price and Description:

\$10,000,000,000.00

Debt Securities

Class A Shares

Class B Shares

Class 1 Shares

Common Shares

Subscription Receipts

Warrants

Share Purchase Contracts

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2428432

Issuer Name:

Park Lawn Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated December 8, 2015

NP 11-202 Receipt dated December 8, 2015

Offering Price and Description:

\$22,011,000.00 - 1,914,000 Subscription Receipts each representing the right to receive one Common Share

Price: \$11.50 per Subscription Receipt

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

Acumen Capital Finance Partners Limited

Canaccord Genuity Corp.

GMP Securities L.P.

Mackie Research Capital Corporation

TD Securities Inc.

Promoter(s):

-

Project #2426760

Issuer Name:

Purpose Premium Yield Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 9, 2015

NP 11-202 Receipt dated December 10, 2015

Offering Price and Description:

ETF shares, Series A shares and Series F Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Purpose Investments Inc.

Project #2428377

Issuer Name:

RP Strategic Income Plus Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 8, 2015
NP 11-202 Receipt dated December 9, 2015

Offering Price and Description:

Class A, Class F and Class O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

RP Investment Advisors

Project #2427939

Issuer Name:

Smart Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated December 10, 2015

NP 11-202 Receipt dated December 11, 2015

Offering Price and Description:

\$2,000,000,000.00:

Variable Voting Units

Subscription Receipts

Warrants

Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2428563

Issuer Name:

TD Private Canadian Blue Chip Dividend Fund

TD Private Canadian Blue Chip Equity Fund

TD Private Canadian Corporate Bond Fund

TD Private Canadian Diversified Yield Fund

TD Private Canadian Value Fund

TD Private International Stock Fund

TD Private U.S. Blue Chip Equity Currency Neutral Fund

TD Private U.S. Blue Chip Equity Fund

TD Private U.S. Corporate Bond Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated December 10, 2015

NP 11-202 Receipt dated December 10, 2015

Offering Price and Description:

Investor Series, Premium Series, D-Series, Advisor Series,

F-Series, O-Series and Premium F-Series

Underwriter(s) or Distributor(s):

-

Promoter(s):

TD Asset Management Inc.

Project #2428397

Issuer Name:

The Manufacturers Life Insurance Company
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated December 10, 2015

NP 11-202 Receipt dated December 10, 2015

Offering Price and Description:

\$5,000,000,000.00 -Debt Securities Fully and unconditionally guaranteed by Manulife Financial Corporation

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2428428

Issuer Name:

TransAlta Corporation
Principal Regulator - Alberta

Type and Date:

Preliminary Base Shelf Prospectus dated December 11, 2015

NP 11-202 Receipt dated December 11, 2015

Offering Price and Description:

\$2,000,000,000.00:

Common Shares

First Preferred Shares

Warrants

Subscription Receipts

Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2428822

Issuer Name:

CI G5|20 2041 Q1 Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated December 4, 2015

NP 11-202 Receipt dated December 8, 2015

Offering Price and Description:

Class A, F and O units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #2409291

Issuer Name:

CI G5|20i 2036 Q1 Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated December 4, 2015

NP 11-202 Receipt dated December 8, 2015

Offering Price and Description:

Class A, F and O units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #2409290

Issuer Name:

Inter Pipeline Ltd.
Principal Regulator - Alberta

Type and Date:

Final Base Shelf Prospectus dated December 11, 2015

NP 11-202 Receipt dated December 11, 2015

Offering Price and Description:

\$3,000,000,000

Common Shares

Preferred Shares

Debt Securities

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2427559

Issuer Name:

MDPIM International Equity Pool
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated November 25, 2015 to the Simplified

Prospectus and Amendment No. 2 dated November 25,

2015 to the Annual Information Form dated May 26, 2015

NP 11-202 Receipt dated December 9, 2015

Offering Price and Description:

Series A and Series T units

Underwriter(s) or Distributor(s):

MD Management Limited

MD Management Ltd.

Promoter(s):

MD Financial Management Inc.

Project #2338921

Issuer Name:

Trapeze Value Class* (Series A and F securities)
Redwood Emerging Markets Dividend Fund (Series A, F and I securities)
Redwood Unconstrained Bond Fund (Series A, F, A USD, F USD and I securities)
Redwood Global Innovations Class* (Series A, F, A USD and F USD securities)
Redwood Pension Class* (Series A, F, A USD, F USD and PHP securities)
Redwood Global Total Return Bond Portfolio (Series A, F, A USD, F USD and PHP securities)
* A class of shares of Ark Mutual Funds Ltd.
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 4, 2015
NP 11-202 Receipt dated December 14, 2015

Offering Price and Description:

Series A, F, I, A USD, F USD and PHP units

Underwriter(s) or Distributor(s):

Redwood Asset Management Inc.

Promoter(s):

-

Project #2411256

Issuer Name:

Restaurant Brands International Inc.
Principal Regulator - Ontario

Type and Date:

Final Bae Shelf Prospectus dated December 9, 2015
NP 11-202 Receipt dated December 9, 2015

Offering Price and Description:

\$875,000,000.00
Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2426953

Issuer Name:

Russell LifePoints Conservative Income Class Portfolio (Series B, B-5, E, E-5, F, F-5 and O Shares)
Russell Global Infrastructure Class (Series B, E, F and O Shares)
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated December 4, 2015 to the Simplified Prospectuses and Annual Information Form dated June 30, 2015

NP 11-202 Receipt dated December 11, 2015

Offering Price and Description:

Series B, B-5, E, E-5, F, F-5 Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

Russell Investments Canada Limited

Promoter(s):

Russell Investments Canada Limited

Project #2357197

Issuer Name:

Sleep Country Canada Holdings Inc.
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

\$185,000,000.00 - 10,000,000 COMMON SHARES
Price: \$18.50 per Offered Share

Underwriter(s) or Distributor(s):

TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
GMP Securities L.P.
Credit Suisse Securities (Canada), Inc.
National Bank Financial Inc.
Raymond James Ltd.

Promoter(s):

-

Project #2424953

Issuer Name:

Low Volatility Global Income Fund
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated July 28, 2015
Withdrawn on December 10, 2015

Offering Price and Description:

Maximum Offering: \$ * - * Units
Minimum Offering: \$20,000,000 - 2,000,000 Units
Price: \$10.00 per Unit
Minimum Purchase: 100 Units

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Dundee Securities Ltd.
Mackie Research Capital Corporation

Promoter(s):

Strathbridge Asset Management Inc.

Project #2375851

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Whitetooth Capital Corp. To: Wealth Creation Corporation	Exempt Market Dealer	December 10, 2015
Consent to Suspension (Pending Surrender)	Cambridge Asset Management Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer	December 11, 2015
Voluntary Surrender	Brookshire Capital Corporation	Limited Market Dealer	December 14, 2015
Voluntary Surrender	General Motors Investment Management Corporation	Portfolio Manager	December 14, 2015

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.3 Clearing Agencies

13.3.1 CDCC – Amendments to Risk Manual and Rules to Create a New Category of Clearing Member – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC)

AMENDMENTS TO RISK MANUAL AND RULES TO CREATE A NEW CATEGORY OF CLEARING MEMBER

The Ontario Securities Commission is publishing for public comment the proposed amendments to the risk manual and CDCC rules (Sections A-102, A-1A01, A-301, A-303 and A-305). The purpose of the proposed amendments is to create a new category of clearing member “Centrals”.

The comment period ends January 16, 2016.

A copy of the **CDCC Notice** is published on our website at <http://www.osc.gov.on.ca>.

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