The Ontario Securities Commission

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

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FOR IMMEDIATE RELEASE
March 16, 2016

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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 its Reasons and Decision on the Sanctions and Costs hearing held in writing in the above named matter

A copy of the Reasons and Decision and Order on Sanctions and Costs dated March 15, 2016 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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For investor inquiries:

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1-877-785-1555 (Toll Free)

1.5.2 Julius Caesar Phillip Vitug

FOR IMMEDIATE RELEASE
March 17, 2016

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

AND

IN THE MATTER OF
JULIUS CAESAR PHILLIP VITUG

TORONTO – Following a hearing held on March 16, 2016, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Julius Caesar Phillip Vitug.

A copy of the Order dated March 16, 2016 and Settlement Agreement dated March 14, 2016 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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1.5.3 Black Panther Trading Corporation and Charles Robert Goddard

FOR IMMEDIATE RELEASE
March 17, 2016

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

AND

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

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

1. the Respondents make disclosure of their witness lists and summaries and indicate any intent to call an expert witness, and provide to Staff the name of the expert and state the issue on which the expert will be giving evidence, by April 11, 2016; and

2. this proceeding is adjourned to a hearing to be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on May 11, 2016, at 1:00 p.m. or as soon thereafter as the hearing can be held.

A copy of the Order dated March 16, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Eagle Energy Trust – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

Citation: Re Eagle Energy Trust, 2016 ABASC 58

March 4, 2016

Eagle Energy Inc.
2710, 500 - 4 Avenue SW
Calgary, AB T2P 2V6

Attention: Jo-Anne Bund

Dear Madam:

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

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

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

The Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.2 BlackRock Asset Management Canada Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from s. 13.5(2)(b) of NI 31-103 to permit in specie transfers between pooled funds and managed accounts, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5, 15.1.

March 11, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO

AND

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

AND

IN THE MATTER OF
BLACKROCK ASSET MANAGEMENT
CANADA LIMITED (BlackRock Canada),
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. (BTC),
AND BLACKROCK FINANCIAL MANAGEMENT, INC. (BFM)
(each, a Filer and, collectively, the Filers)

AND

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

DECISION

Background

The securities regulatory authority or regulator in Ontario received an application (the **Application**) on behalf of the Filers and on behalf of the existing mutual funds and future mutual funds of which BlackRock Canada is the investment fund manager and to which NI 81-102 does not apply (each, a **Pooled Fund** and, collectively, the **Pooled Funds**) for a decision under section 15.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) providing relief from the following:

***In Specie* Transactions with Related Parties**

from the requirement in section 13.5(2)(b)(ii) and (iii) of NI 31-103 that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, from purchasing or selling a security by way of an *In Specie* Transaction (defined below) from or to the investment portfolio of any of the following:

(a) an associate of a responsible person; or

(b) an investment fund for which a responsible person acts as an adviser;

in order to permit: (i) a Pooled Fund; or (ii) a fully managed account by BlackRock Canada, BTC or BFM for a Canadian resident client (each, a Managed Account) to engage in *In Specie* Transactions (as defined below) while revoking the Existing Relief (as defined below), only insofar as the Existing Relief pertains to *In Specie* Transactions between Pooled Funds and Managed Accounts (all terms as defined below).

(the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

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

Interpretation

Terms defined in MI 11-102, National Instrument 14-101 – *Definitions*, NI 81-102 and NI 31-103 have the same meanings if used in this Decision, unless otherwise defined.

Representations

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

General

1. The head office of BlackRock Canada is located in Toronto, Ontario. The head office of BTC is located in San Francisco, California. The head office of BFM is located in New York, New York.

2. BlackRock Canada is registered as a portfolio manager, investment fund manager and exempt market dealer in Ontario and in each of the Passport Jurisdictions (together, the **Jurisdictions**) and as a commodity trading manager in Ontario.

3. BTC is relying on a combination of the international adviser exemption and the international sub-adviser exemption in NI 31-103 in all of the Jurisdictions of Canada.

4. BFM is relying on a combination of the international adviser exemption and the international sub-adviser exemption in NI 31-103 in all of the Jurisdictions of Canada.

5. BlackRock Canada is, or will be, the investment fund manager and trustee of each of the Pooled Funds, each of which is, or will be, organized under the laws of Ontario.

6. None of the Pooled Funds are, or will be, a reporting issuer in any of the Jurisdictions.

7. BlackRock Canada is, or will be, the primary portfolio manager of each of the Pooled Funds and the Managed Accounts.

8. BTC, BFM or another affiliate of BlackRock Canada is, or may be, the sub-adviser of each of the Pooled Funds and the Managed Accounts.

9. BlackRock Canada offers discretionary investment management services to investors through Managed Accounts.

10. Each Managed Account client wishing to receive discretionary investment management services has entered into, or will enter into, a written agreement (an **Investment Management Agreement**) whereby the client appoints BlackRock Canada to act as portfolio manager in connection with an investment portfolio of the client with full discretionary authority to trade in securities for the Managed Account, including authority to appoint a Filer or another affiliate as sub-adviser.

11. A Filer may, where authorized under the Investment Management Agreement, from time to time invest a Managed Account client's assets in units of a Pooled Fund (**Units**) to facilitate portfolio management or redeem a Managed Account client's Units to facilitate portfolio management.

12. Each Investment Management Agreement or other documentation in respect of a Managed Account contains, or will contain, the authorization of the client for the Managed Account to engage in *In Specie* Transactions.

13. Each of BlackRock Canada, BTC and BFM is currently a wholly-owned subsidiary of BlackRock, Inc.

NI 31-103 Representations

14. BlackRock Canada, BTC, BFM or another affiliate of BlackRock Canada may wish or be required to cause a Pooled Fund or a Managed Account to deliver securities from its investment portfolio (**Portfolio Securities**) to another Pooled Fund as the purchase consideration for Units of the other Pooled Fund, and for a Pooled Fund to deliver Portfolio Securities to another Pooled Fund or Managed Account as the proceeds of redemption for Units of the first Pooled Fund (each, an ***In Specie* Transaction** and collectively, ***In Specie* Transactions**).

15. As BlackRock Canada is the trustee of the Pooled Funds, each Pooled Fund is or will be an "associate" of BlackRock Canada and, accordingly, absent the grant of the Existing Relief or, with respect to *In Specie* Transactions between Pooled Funds, the Exemption Sought, BlackRock Canada would be precluded by the provisions of Section 13.5(2)(b)(ii) of NI 31-103 from effecting *In Specie* Transactions.

16. As BlackRock Canada is a registered adviser which is or will be the manager and primary portfolio manager of the Pooled Funds and Managed Accounts, BlackRock Canada is a "responsible person" of the Pooled Funds and Managed Accounts and, absent the Requested Relief, BlackRock Canada would be precluded by the provisions of Section 13.5(2)(b)(iii) of NI 31-103 from effecting *In Specie* Transactions.

17. As BTC, BFM and other affiliates of BlackRock Canada may act as sub-advisers to one or more Pooled Funds and Managed Accounts, BTC, BFM and other affiliates of BlackRock Canada may be considered a "responsible person" of such Pooled Funds and Managed Accounts and, absent the Requested Relief, BTC, BFM and other affiliates of BlackRock may be precluded by the provisions of Section 13.5(2)(b)(iii) of NI 31-103 from effecting *In Specie* Transactions.

18. BlackRock Canada, BTC, BFM and the Pooled Funds are not in default of securities legislation in any of the Jurisdictions.

19. None of BlackRock Canada, BTC, BFM or another affiliate of BlackRock Canada receive any compensation in respect of any sale or redemption of Units or in respect of any delivery of Portfolio Securities further to an *In Specie* Transaction. The only cost incurred by a Pooled Fund or a Managed Account for an *In Specie* Transaction will be a nominal administrative charge levied by the custodian of the Pooled Fund in recording the trades and/or any transfer costs charged by a dealer in transferring the Portfolio Securities *in specie* (the **Transfer Charge**). Normal transaction costs will be incurred in acquiring the Portfolio Securities prior to their delivery *in specie* or in disposing of the Portfolio Securities after a redemption *in specie*.

20. BlackRock Canada, as manager of the Pooled Funds, will value the Portfolio Securities transferred in an *In Specie* Transaction on the same valuation day on which the purchase price or redemption price of the Units is determined. With respect to the purchase of Units, the Portfolio Securities transferred to the Pooled Fund in an *In Specie* Transaction as purchase consideration for those Units will be valued as if the Portfolio Securities were assets of the Pooled Fund and as if the Pooled Fund was subject to subsection 9.4(2)(b)(iii) of NI 81-102. With respect to the redemption of Units, the Portfolio Securities transferred in consideration for the redemption price of those Units will have a value equal to the amount at which those Portfolio Securities were valued in calculating the net asset value per security used to establish the redemption price of the Units, as if the Pooled Fund was subject to subsection 10.4(3)(b) of NI 81-102.

21. *In Specie* Transactions will be subject to (i) compliance with the written policies and procedures of BlackRock Canada respecting *In Specie* Transactions that are consistent with applicable securities legislation, and (ii) the oversight of BlackRock Canada to ensure that the transaction represents the business judgment of BlackRock Canada acting in its discretionary capacity with respect to the Pooled Funds or Managed Accounts involved in the *In Specie* Transaction, uninfluenced by considerations other than the best interests of such Pooled Funds and Managed Accounts. The results of the oversight and review of BlackRock Canada will be submitted in a form of report to BlackRock Canada's Board of Directors on a semi-annual basis.

22. Should any Portfolio Securities which are transferred in an *In Specie* Transaction meet the definition of "illiquid asset" (as defined in NI 81-102) (**Illiquid Portfolio Securities**), the responsible portfolio manager or sub-adviser will obtain independent pricing for such Illiquid Portfolio Securities determined on the basis of reasonable inquiry immediately before effecting the *In Specie* Transaction.

23. If any Illiquid Portfolio Securities are the subject of an *In Specie* redemption, the Illiquid Portfolio Securities will be transferred on a basis that fairly represents the portfolio of the Pooled Fund. Pooled Funds generally invest in liquid securities. The Filers will not cause any Pooled Fund to accept an *in specie* subscription or pay out redemption proceeds *in specie* if, at the time of the proposed *In Specie* Transaction, Illiquid Portfolio Securities represent more than an immaterial portion of the portfolio of the Pooled Fund. The valuation of any Illiquid Portfolio Securities which would be the subject of an *In Specie* Transaction will be carried out according to the Filers' policies and procedures for

the fair value of portfolio securities, including illiquid securities.

24. The Filers have determined that it is in the best interests of the Pooled Funds and the Managed Accounts to receive the Exemption Sought and engage in *In Specie* Transactions.

25. Effecting *In Specie* Transactions will allow the Filers to manage Portfolio Securities and Units more effectively and reduce transaction costs for the Managed Accounts and the Pooled Funds. For example, *In Specie* Transactions reduce market impact costs, which can be detrimental to the Managed Accounts and the Pooled Funds. *In Specie* Transactions also allow a portfolio to retain within its control institutional-size blocks of Portfolio Securities that otherwise would need to be broken and reassembled.

The Existing Relief

26. BlackRock Canada, BTC and BFM obtained exemptive relief dated November 30, 2009 (the **2009 Relief**) to permit, subject to prescribed terms and conditions, certain related party transactions, including *In Specie* Transactions between (i) a Pooled Fund and a mutual fund of which BlackRock Canada is the investment fund manager and to which NI 81-102 applies (each, an **NI 81-102 Fund**); (ii) a Pooled Fund and a Managed Account; and (iii) an NI 81-102 Fund and a Managed Account.

27. BlackRock Investments Canada Inc. (**BlackRock Investments**) received similar exemptive relief on July 20, 2012 (together with the 2009 Relief, the **Existing Relief**). As a result of an amalgamation completed on December 1, 2012, BlackRock Canada became the corporate successor to BlackRock Investments.

28. The Existing Relief does not permit *In Specie* Transactions between a Pooled Fund and another Pooled Fund.

29. The Existing Relief permits *In Specie* Transactions between a Pooled Fund and a Managed Account, provided that such transactions are subject to review and approval by the independent review committee established by BlackRock Canada in respect of the Pooled Funds which rely on the Existing Relief (the **IRC**).

30. The Filers now wish to revoke and replace a part of the Existing Relief to permit *In Specie* Transactions between Managed Accounts and Pooled Funds without IRC approval.

31. As of the date of this decision, the Existing Relief will no longer be relied upon by the Filers in respect of the *In Specie* Transactions between Managed Accounts and Pooled Funds.

Decision

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

The Existing Relief is revoked, only insofar as it pertains to *In Specie* Transactions between Pooled Funds and Managed Accounts.

The Decision of the principal regulator is that the Exemption Sought is granted on the following conditions:

1. in the case of an *In Specie* Transaction that involves the purchase by a Pooled Fund or a Managed Account (in such case, the **Transferor**) of Units of another Pooled Fund (in such case, the **Transferee**):

    (a) the Transferee would at the time of payment be permitted to purchase the Portfolio Securities delivered in specie by the Transferor;

    (b) the Portfolio Securities are acceptable to the portfolio adviser of the Transferee, and consistent with the investment objective of the Transferee;

    (c) the Portfolio Securities transferred by the Transferor as purchase consideration will be valued: (i) on the same valuation day on which the purchase price of the Transferee's Units is determined; and (ii) at a value equal to the amount at which those Portfolio Securities were valued in calculating the net asset value per Unit used to establish the purchase price of the Transferee's Units, as if the Portfolio Securities were assets of the Transferee and as if the Transferee was subject by subsection 9.4(2)(b)(iii) of NI 81-102;

    (d) should the In Specie Transaction involve the transfer of Illiquid Portfolio Securities, the portfolio adviser will obtain independent pricing determined on the basis of reasonable inquiry immediately before effecting the In Specie Transaction;

    (e) if the Transferor is a Managed Account:

(i) prior written consent of the client of the Managed Account has been obtained before the *In Specie* Transaction is completed; and

(ii) the trade list, transaction report or similar report prepared by the Filer for the Managed Account for the period in which the In Specie Transaction took place will include a note describing the Portfolio Securities delivered to the Transferee and the value assigned to such Portfolio Securities;

(f) each of the Transferor and the Transferee will keep written records of an In Specie Transaction in a financial year of the Transferor and the Transferee, as applicable, reflecting details of the Portfolio Securities delivered to the Transferee, and the value assigned to such Portfolio Securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

2. in the case of an *In Specie* Transaction that involves the redemption of Units of a Pooled Fund (the **Transferor**) by another Pooled Fund or a Managed Account (the **Transferee**):

(a) the Portfolio Securities are acceptable to the portfolio adviser of the Transferee, and consistent with the investment objective of the Transferee;

(b) the Portfolio Securities transferred to the Transferee as proceeds of redemption for the Transferor's Units will be valued: (i) on the same valuation day on which the redemption price of the Transferor's Units is determined; and (ii) at a value equal to the amount at which those Portfolio Securities were valued in calculating the net asset value per Unit used to establish the redemption price of the Transferor's Units, as contemplated by subsection 10.4(3)(b) of NI 81-102;

(c) should the In Specie Transaction involve the transfer of Illiquid Portfolio Securities, the portfolio adviser will obtain independent pricing determined on the basis of reasonable inquiry immediately before effecting the In Specie Transaction;

(d) if any Illiquid Portfolio Securities are the subject of an In Specie redemption, the Illiquid Portfolio Securities will be transferred on a basis that fairly represents the portfolio of the Transferor;

(e) if the Transferee is a Managed Account:

(i) prior written consent of the client of the Managed Account has been obtained before the In Specie Transaction is completed;

(ii) the holder of the Managed Account has not provided notice to terminate its Investment Management Agreement with BlackRock Canada;

(iii) the trade list, transaction report or similar report prepared by the Filer for the Managed Account for the period in which the In Specie Transaction took place will include a note describing the Portfolio Securities delivered to the Managed Account and the value assigned to such Portfolio Securities; and

(f) each of the Transferor and the Transferee will keep written records of an In Specie Transaction in a financial year of the Transferor and the Transferee, as applicable, reflecting details of the Portfolio Securities delivered by the Transferor and the value assigned to such Portfolio Securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place.

3. The Filers do not receive any compensation in respect of any sale or redemption of Units of the Transferor and, in respect of any delivery of Portfolio Securities further to an *In Specie* Transactions, the only charge paid by the Transferor or the Transferee is the Transfer Charge.

"Vera Nunes"
Director (Acting)
Investment Funds and Structured Products
Ontario Securities Commission

2.1.3 Mackenzie Financial Corporation and the Existing Mutual Funds Managed by the Filer

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a) and 2.5(2)(e) of National Instrument 81-102 – Investment Funds to allow mutual funds to invest in ETFs under common management or managed by an affiliate, and to allow the top funds to pay brokerage commissions for the purchase and sale of the securities of the underlying ETFs – Underlying ETFs are subject to NI 81-102, are not commodity pools under NI 81-104 – Relief subject to terms and conditions based on the investment restrictions of NI 81-102 such that top funds cannot do indirectly via investment in underlying ETFs what they cannot do directly under NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.2(1)(a), 2.5(2)(a), 2.5(2)(e).

March 14, 2016

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

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IN THE MATTER OF
THE EXISTING MUTUAL FUNDS MANAGED BY THE FILER
(the Existing Top Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing Top Funds and any additional mutual funds, including exchange-traded funds (the **Future Top Funds**, and together with the Existing Top Funds, collectively, the **Top Funds**) that may be managed in the future by the Filer, or by an affiliate of the Filer, for a decision under the securities legislation of the principal regulator (the **Legislation**) granting an exemption to the Top Funds from the following prohibitions in NI 81-102 (the **Exemption Sought**):

1. subsection 2.1(1) of NI 81-102 to permit each Top Fund to purchase a security of an exchange-traded mutual fund that is managed by the Filer as listed in Schedule "A" (each an **Initial Underlying ETF**) or an exchange-traded mutual fund that will be managed by the Filer in the future (each a **Future Underlying ETF** and together with the Initial Underlying ETF, each an **Underlying ETF**) or enter into a specified derivatives transaction with respect to an Underlying ETF even though, immediately after the transaction, more than 10% of the net asset value of the Top Fund would be invested, directly or indirectly, in securities of the Underlying ETF (the **Concentration Restriction**);

2. paragraph 2.2(1)(a) of NI 81-102 to permit each Top Fund to purchase a security of an Underlying ETF such that, after the purchase, the Top Fund would hold securities representing more than 10% of:

   (a) the votes attaching to the outstanding voting securities of the Underlying ETF; or

   (b) the outstanding equity securities of the Underlying ETF (the **Control Restriction**);

3. paragraph 2.5(2)(a) of NI 81-102 to permit each Top Fund to purchase and hold a security of an Underlying ETF that is

not offered under a simplified prospectus prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (the **Fund of Fund Restriction**); and

4. paragraph 2.5(2)(e) of NI 81-102 to permit each Top Fund to pay brokerage commissions in relation to its purchase and sale on a recognized exchange (as defined in the *Securities Act* (Ontario)) in Canada of securities of the Underlying ETFs.

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

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation amalgamated under the laws of the Province of Ontario, with its head office located at 180 Queen Street West, Toronto, Ontario. The Filer is not in default of securities legislation in any of the Jurisdictions.

2. The Filer acts, or will act, as the investment fund manager of the Top Funds.

The Top Funds

3. The Top Funds are, or will be, open-ended mutual funds, including exchange-traded funds, organized and governed by the laws of a jurisdiction of Canada.

4. The Top Funds are, or will be, governed by the provisions of NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the securities regulatory authorities.

5. Each Top Fund distributes, or will distribute, some or all of its securities pursuant to a simplified prospectus prepared pursuant to NI 81-101 and Form 81-101F1 or a long form prospectus prepared pursuant to NI 41-101 and Form 41-101F2.

6. The Top Funds are, or will be, reporting issuers in the provinces and territories of Canada in which their securities are distributed.

7. Each Top Fund wishes to have the ability to invest up to 100% of its net asset value in any one or more Underlying ETFs.

8. Each investment by a Top Fund in securities of an Underlying ETF will be made in accordance with the investment objectives of the Top Fund and will represent the business judgement of responsible persons uninfluenced by considerations other than the best interest of the Top Fund.

9. The Top Funds do not, and will not, sell short securities of any Underlying ETF.

10. No Top Fund is, or will be, a commodity pool governed by National Instrument 81-104 – *Commodity Pools* (**NI 81-104**).

11. No Top Fund has, or will have, a net market exposure greater than 100% of its net asset value.

The Underlying ETFs

12. The Filer acts, or will act, as the investment fund manager of each Underlying ETF.
13. Each Underlying ETF may issue more than one series of securities. Each Initial Underlying Fund may initially offer Series E securities and Series R securities. The Top Funds may invest in Series E securities and/or Series R securities

of the Underlying ETFs.

14. Each Underlying ETF is, or will be, an open-ended mutual fund subject to NI 81-102, subject to any exemption therefrom that has been, or may be, granted by the securities regulatory authorities.

15. Series E securities of each Underlying ETF are, or will be:

    (a) distributed pursuant to a long form prospectus prepared pursuant to NI 41-101 and Form 41-101F2; and

    (b) listed on the Toronto Stock Exchange or another "recognized exchange" in Canada, as that term is defined in securities legislation.

16. Because Series E securities of the Underlying ETFs are, or will be, distributed pursuant to a long form prospectus prepared pursuant to NI 41-101 and NI 41-101F2, each Underlying ETF is, or will be, a reporting issuer in the provinces and territories of Canada in which its securities are distributed.

17. Series R securities of each Underlying ETF will be offered only on a private placement basis pursuant to available prospectus exemptions, including the accredited investor exemption, under securities laws.

18. Certain Underlying ETFs hold, or will hold, the securities that are included in a specified widely-quoted market index in substantially the same proportion as those securities are reflected in that index (the **Underlying Index ETFs**). Series E securities of an Underlying Index ETF are, or will be, index participation units (**IPUs**), as defined in NI 81-102, but Series R securities of an Underlying Index ETF are not, or will not be, IPUs.

19. Some of the Underlying ETFs are, or will be, actively managed exchange-traded mutual funds (the **Underlying Active ETFs**). Accordingly, Series E and Series R securities of the Underlying Active ETFs are not, or will not be, IPUs.

20. No Underlying ETF holds, or will hold, more than 10% of its net asset value in securities of another investment fund unless the securities of the other investment fund are securities of a money market fund, as defined in NI 81-102, or are IPUs issued by an investment fund.

21. No Underlying ETF pays, or will pay, management or incentive fees which to a reasonable person would duplicate a fee payable by the applicable Top Fund for the same service.

22. A holder of Series E securities may:

    (a) sell such securities on the TSX;

    (b) redeem such securities in any number at a redemption price equal to 95% of the closing price for security on the TSX on the effective day of redemption; or

    (c) if such holder is a designated broker or dealer or has the consent of the Filer, exchange a prescribed number of securities (a **PNU**) (and any additional multiple thereof) of the Underlying ETF for cash or securities and cash, the exchange price being equal to the net asset value of the securities of the Underlying ETF tendered for exchange on the effective day of the exchange request.

23. The Series E securities of each Underlying ETF are liquid, as the designated broker acts as an intermediary between investors and each Underlying ETF, standing in the market with bid and ask prices for such securities to maintain a liquid market for them.

24. All brokerage costs related to trades in Series E securities of the Underlying ETFs will be borne by the Top Funds in the same manner as any other portfolio transactions made on the exchange.

25. Holders of Series R securities of an Underlying ETF may redeem Series R securities of an Underlying ETF on any day on which the Toronto Stock Exchange is open for trading in any number for cash at a redemption price per Series R security equal to the net asset value per Series R security of the Underlying ETF on the effective day of redemption.

26. No management fees are, or will be, payable by an Underlying ETF with respect to Series R securities and, instead, any management fees in respect of Series R securities are, and will be, payable directly by the investor. There are, and will be, no sales or redemptions commissions or fees payable in connection with the purchase or redemption of Series R securities of an Underlying ETF.

27. No Underlying ETF is, or will be, a commodity pool governed by NI 81-104.

28. The Underlying ETFs primarily achieve, or will primarily achieve, their investment objectives through direct holdings of cash and securities, in accordance with their investment objectives and strategies and the requirements of NI 81-102.

29. Each Top Fund and each Underlying Fund is, or will be, subject to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) generally and in respect of conflicts of interest matters arising from trades of securities of an Underlying ETF.

30. If a Top Fund makes a trade in securities of an Underlying ETF with or through the Filer acting as dealer, the Filer will comply with its obligations under NI 81-107 in respect of any proposed related party transactions. All such related party transactions will be disclosed to securityholders of the relevant Top Fund in its management report of fund performance.

Reasons for Exemption Sought

31. An investment in an Underlying ETF by a Top Fund is an efficient and cost effective alternative to administering one or more investment strategies similar to that of the Underlying ETF.

32. An investment in an Underlying ETF by a Top Fund should pose little investment risk to the Top Fund because each Underlying ETF is, or will be, subject to NI 81-102, subject to any exemption therefrom that has been, or may in the future be, granted by the securities regulatory authorities.

33. While Series R securities of each Underlying ETF are not listed on an exchange, they are redeemable in the same manner as the securities of a conventional mutual fund that are not listed on an exchange and, accordingly, are highly liquid. As a result, a Top Fund will be well positioned to redeem such securities to, for example, fund the redemption requests of its securityholders. There is little concern from a policy standpoint that the Exemption Sought will impair the ability of a Top Fund to calculate its net asset value or to fund redemptions.

34. Due to the potential size disparity between the Top Funds and the Underlying ETFs, it is possible that a relatively small investment, on a percentage of net asset value basis, by a relatively larger Top Fund in Series E and/or Series R securities of an Underlying Active ETF and/or in Series R securities of an Underlying Index ETF could result in such Top Fund holding securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of the applicable Underlying ETF; or (ii) the outstanding equity securities of that Underlying ETF, contrary to the Control Restriction.

35. It is anticipated that many of the trades in Series E securities of an Underlying ETF conducted by a Top Fund will not be of the size necessary for the Top Fund to be eligible to purchase or redeem a PNU of Series E securities of an Underlying ETF directly from or to, as the case may be, the Underlying ETF. As such, it is anticipated that many of the trades in Series E securities of an Underlying ETF by a Top Fund will be conducted in the secondary market through the TSX or another recognized exchange in Canada.

36. Absent the Exemption Sought, an investment by a Top Fund in Series E and/or Series R securities of an Underlying Active ETF and/or in Series R securities of an Underlying Index ETF do not qualify for the exemptions set out in:

    (a) paragraph 2.1(2)(d) of NI 81-102 from the Concentration Restriction;

    (b) paragraph 2.2(1.1)(b) of NI 81-102 from the Control Restriction; and

    (c) subsection 2.5(3) of NI 81-102 from the Fund of Fund Restriction;

because Series E securities of the Underlying Active ETFs and Series R securities of the Underlying ETFs are not IPUs.

37. The only material difference between the securities of an Underlying Active ETF and the securities of a conventional mutual fund and between the Series R and the Series E securities of an Underlying Index ETF is, in each case, the method of distribution and disposition.

Decision

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

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

1. the investment by a Top Fund in securities of an Underlying ETF is in accordance with the investment objectives of the Top Fund;

2. a Top Fund does not sell securities of an Underlying ETF short;

3. the Underlying ETF is not a commodity pool governed by NI 81-104;

4. other than any exemptive relief granted in favour of an Underlying ETF, the Underlying ETF complies with the requirements of:

   (a) section 2.3 of NI 81-102 regarding the purchase of physical commodities;

   (b) sections 2.7 and 2.8 of NI 81-102 regarding the purchase, sale or use of specified derivatives; or

   (c) subsections 2.6(a) and 2.6(b) of NI 81-102 with respect to the use of leverage;

5. in connection with the Exemption Sought from the Concentration Restriction, the Top Fund shall, for each investment it makes in the securities of an Underlying ETF, apply, to the extent applicable, subsections 2.1(3), 2.1(4) and 2.1(5) of NI 81-102 as if those provisions applied to a Top Fund's investments in securities of the Underlying ETF, and, accordingly, limit a Top Fund's indirect holdings in securities of an issuer held by one or more Underlying ETFs as required by, and in accordance with, subsections 2.1(3), 2.1(4) and 2.1(5) of NI 81-102;

6. the investment by a Top Fund in securities of an Underlying ETF is made in compliance with section 2.5 of NI 81-102, with the exception of paragraph 2.5(2)(a) and, in respect only of brokerage fees incurred for the purchase and sale of Underlying ETFs by a Top Fund, paragraph 2.5(2)(e) of NI 81-102; and

7. the prospectus of each Top Fund discloses the fact that the Top Fund has obtained the Exemption Sought to permit the relevant transactions on the terms described in this decision.

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

SCHEDULE A

INITIAL UNDERLYING ETFS

Mackenzie Core Plus Global Fixed Income ETF

Mackenzie Unconstrained Bond ETF

Mackenzie Floating Rate Income ETF

Mackenzie Core Plus Canadian Fixed Income ETF

2.1.4 Tradex Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from paragraphs 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Investment Funds to permit an existing mutual fund to invest in closed-end funds located in Canada, the United States and the United Kingdom in accordance with its investment objectives – the mutual fund will ensure the closed-end funds comply with the investment restrictions in NI 81-102 applicable to mutual funds.

Applicable Legislative Provisions

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

March 2, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO

AND

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

AND

IN THE MATTER OF
TRADEX MANAGEMENT INC.
(the Filer)

DECISION

Background

The principal regulator in Ontario has received an application from the Filer on behalf of Tradex Global Equity Fund (the **Fund**), an existing mutual fund managed by the Filer that is subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**), for a decision under the securities legislation of the jurisdiction of the principal regulator (the **Legislation**) providing an exemption from paragraphs 2.5(2)(a) and (c) of NI 81-102 to permit the Fund to purchase or hold a security of another investment fund that is not a mutual fund subject to NI 81-102 and whose securities are not or have not been offered under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) (each a **Closed-End Fund** and collectively, the **Closed-End Funds**) and, to permit the Fund to purchase or hold a security of another investment fund that is not a reporting issuer in the local jurisdiction (each a **Foreign Closed-End Fund**, and collectively, the **Foreign Closed-End Funds** and together with the Closed-End Funds, the **Underlying Closed-End Funds**) (the **Exemption Sought)**.

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

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer, a not-for-profit mutual fund company, is a corporation that was incorporated under the laws of Canada in 1988. In any year where the Filer has a surplus in its revenue from management fees, the Filer reduces the management fee that was paid by the Fund by providing a rebate to the Fund.

2. The head office of the Filer is located in Ottawa, Ontario.

3. The Filer is registered under the securities legislation of Ontario, Québec and Newfoundland and Labrador as an investment fund manager and under the securities legislation of British Columbia, Ontario and Québec as a mutual fund dealer. The Filer has been a member of the Mutual Fund Dealers Association (**MFDA**) since 2002.

4. The Filer is the investment fund manager of the Fund. In addition, the Filer is the trustee of the Fund.

5. In addition to the Fund, the Filer manages two other mutual funds as part of the Tradex Family of Funds, which funds are only available to members of the public service and their families.

6. Each of the Filer and the Portfolio Manager (defined below) has no intention of being the manager or portfolio manager, as applicable, of any of the Underlying Closed-End Funds.

Tradex Global Equity Fund

7. The Fund is an open-ended mutual fund organized and governed by the laws of Ontario.

8. The Fund is governed by the provisions of NI 81-102, subject to any exemptions therefrom that have been, or may in the future be, granted by the securities regulatory authorities.

9. The Fund distributes its securities pursuant to a simplified prospectus prepared pursuant to NI 81-101.

10. The Fund is a reporting issuer in each Jurisdiction.

11. Neither the Filer nor the Fund is in default of securities legislation in any Jurisdiction.

12. Throughout its approximate 21 year history, the Fund has invested in closed-end funds in accordance with its investment objective (both its current investment objective and its previous investment objective). The investment objective of the Fund is to achieve long-term capital appreciation by investing primarily in closed-end funds whose investments are principally in a diversified portfolio of equity securities of issuers based in any country. The investment objective and strategies of the Fund are disclosed in the Fund's simplified prospectus. The Fund must invest in an Underlying Closed-End Fund to meet its investment objective.

13. As indicated above, the Fund achieves its investment objective by making investments in global stocks primarily through exchange traded closed-end funds managed by some of the world's leading investment firms. Many closed-end funds trade at discounts; taking advantage of the variance/volatility within the discount is a meaningful element of the Fund's strategy. The Fund also invests in exchange-traded funds whose securities are index participation units (**IPUs**), which mirror the performance of a particular exchange index. Up to 25% of the book value of the portfolio may also be invested in shares of non closed-end fund companies listed on a recognized stock exchange. In practice, the Fund generally invests in IPUs only when there is no attractive Underlying Closed-End Fund with a deeper than usual trading discount.

14. Investments by the Fund in an Underlying Closed-End Fund are limited by the requirements of NI 81-102. In accordance with the investment strategies of the Fund, no more than 10% of the net asset value of the Fund will be invested in a particular Underlying Closed-End Fund taken at market value at the time of purchase.

15. The Fund does not, and will not, pay management fees or incentive fees that, to a reasonable person, would duplicate a fee payable by an Underlying Closed-End Fund for the same service.

City of London Investment Management Company Limited and Portfolio Management Style

16. City of London Investment Management Company Limited (**CLIM** or the **Portfolio Manager**) is the portfolio manager of the Fund and has been the portfolio manager of the Fund since the Fund's inception in 1994.

17. CLIM operates a global closed-end fund strategy in several jurisdictions globally and has been doing so for 25 years. CLIM's investment style differs from that of a traditional portfolio manager in that it capitalizes on the inefficiencies relating to investing in closed-end funds. A closed-end fund has a fixed capital structure, which is composed of

securities that are listed and traded on stock exchanges via a stock broker. These securities trade at whatever value the stock market puts on them. In effect, a closed-end fund trades at a price that reflects demand. Demand or the lack thereof is reflected in securities trading at a premium or a discount to the net asset value (NAV) of the fund.

Change in Fund of Fund Rules under NI 81-102

18. Prior to the recent amendments to NI 81-102, the fund of fund rules in section 2.5 Investments in Other Mutual Funds (as it was then called) did not prohibit mutual funds from investing in closed-end funds that were not mutual funds.

19. The recent amendments to NI 81-102 have broadened the fund of fund rules in section 2.5 *Investments in Other Investment Funds* (as it is now called) to include other types of investment funds, such as closed-end funds.

Investment in Underlying Closed-End Funds

20. In the absence of the Exemption Sought:

    (a) The investment restriction in paragraph 2.5(2)(a) of NI 81-102 would prohibit the Fund, which is a mutual fund, from purchasing or holding securities of the Underlying Closed-End Funds (because such Underlying Closed-End Funds are not mutual funds, are not subject to NI 81-102 or do not offer, or have not offered, securities under a simplified prospectus in accordance with NI 81-101), unless the securities of such Underlying Closed-End Funds are IPUs.

    (b) The investment restriction in paragraph 2.5(2)(c) of NI 81-102 would prohibit the Fund, which is a mutual fund, from purchasing or holding securities of the Foreign Closed-End Funds (because such Foreign Closed-End Funds will not be reporting issuers in the local jurisdiction), unless the securities of such Foreign Closed-End Funds are IPUs.

21. Each Foreign Closed-End Fund is, or will be:

    (a) in the United States, a registered investment company under the *Investment Companies Act of 1940*; and

    (b) in the United Kingdom, a form of collective investment fund under the UK *Companies Act*.

22. The requirements/industry standards relating to reporting, fund governance and investment restrictions in the jurisdictions of the Foreign Closed-End Funds are comparable to those in the Canadian regulations.

23. An investment by the Fund in securities of each Underlying Closed-End Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund and will be made in accordance with the investment objective of the Fund.

24. In the Portfolio Manager's view, there does not exist other investment options for the Fund that would provide the same or comparable benefits that investing in Underlying Closed-End Funds provide while fulfilling the Fund's objective.

25. Each Underlying Closed-End Fund is traded on a recognized stock exchange in Canada, the United States or the United Kingdom.

26. Granting the Exemption Sought is in the best interests of the Fund and is not prejudicial to the public interest or to securityholders of the Fund.

Decision

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

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

(a) subject to (b) and (c) below, other than with respect to paragraphs 2.12(1)10, 2.13(1)9 and 2.14(1)8 of NI 81-102, each Underlying Closed-End Fund complies with the investment restrictions in NI 81-102 applicable to mutual funds;

(b) the Fund's weighted average leverage exposure does not exceed 10% of the NAV of the Fund. The Fund's weighted average leverage exposure is determined by multiplying (i) the leverage employed by each Underlying Closed-End Fund, by (ii) the percentage of the Fund's NAV invested in such Underlying Closed-End Fund;

(c) the Fund may invest an amount equal to 10% of its NAV in Underlying Closed-End Funds that do not comply with the investment restrictions in NI 81-102;

(d) CLIM uses pre-trade compliance controls to monitor the restrictions in paragraphs (a), (b) and (c) above; and

(e) securities of each Underlying Closed-End Fund trade on a recognized stock exchange in Canada, the United States or the United Kingdom.

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

2.1.5 Triasima Portfolio Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to permit inter-fund trade between two pooled funds managed by the same portfolio manager subject to certain conditions – inter-fund trade made in connection with an isolated operation.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b), 15.1.

March 11, 2016

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

AND

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

AND

IN THE MATTER OF
TRIASIMA PORTFOLIO MANAGEMENT INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for a decision pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) exempting the Filer from the restrictions contained in subsections 13.5(2)(b)(iii) which prohibits a registered advisor from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as advisor, to purchase or sell securities from or to the investment portfolio of an investment fund for which a responsible person acts as an advisor, for the sole purpose of allowing the Operation (as defined below) to proceed (the **Relief Sought**).

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

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

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

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

Interpretation

Unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions* have the same meaning in this Application:

"ACWE Ex-Fossil Fuels Fund" means the Triasima All Countries World Equity Ex-Fossil Fuels Fund, an open-end investment trust to be established by Triasima in March 2016 under the laws of Québec pursuant to a master trust agreement to be entered into between Triasima and Computershare Trust Company of Canada effective as of March 11, 2016 with the same investment objectives than the ACWE Fund, except only that the ACWE Ex-Fossil Fund would not invest in certain fossil fuels securities, subject to an initial period during which this Fund will dispose on the market of all the securities of fossil fuels issuers;

"ACWE Fund" means the Triasima All Countries World Equity Fund, an open-end investment trust established by Triasima on September 28, 2012 under the laws of Québec pursuant to a master trust agreement between Triasima and Computershare Trust Company of Canada dated October 30, 2009, as amended on August 8, 2012;

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

"Large Client" means one of Triasima's clients who currently has material holdings in the ACWE Fund;

"NI 31-103" means National instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Obligations*;

"NI 81-107" means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

"Triasima Funds" means collectively, the five existing pooled funds managed by Triasima and distributed to investors pursuant to exemptions from the prospectus requirements;

Representations

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

Background

1. The Filer is an asset-management firm registered as a portfolio manager and exempt market dealer in all Canadian jurisdictions other than the Yukon, and as investment fund manager in all Canadian jurisdictions except Manitoba, Prince Edward Island and the Territories.

2. Neither the Filer nor the ACWE Fund is a reporting issuer in any province or territory of Canada and neither of them is in default of securities legislation in any such jurisdiction.

3. The Filer services mainly institutional and private wealth clients, and also acts as sub-advisor for funds and provides strategies offered by some of its clients to individual investors across Canada, except in the Yukon.

4. The Filer manages the Triasima Funds.

5. The Filer is the registered investment fund manager and portfolio manager of the Triasima Funds.

6. The address of the five Triasima Funds and that of the Filer's head office is 1555 Peel Street, Suite 1200, Montréal, Québec, H3A 3L8, Canada.

7. The investment objectives for the Triasima Funds set out the investment objectives, strategies and restrictions pursuant to which the Triasima Funds are managed by the Filer.

8. One of these Triasima Funds is the ACWE Fund.

9. Pursuant to the ACWE Fund's investment objectives, the ACWE Fund is a flexible global equity mandate seeking a high total return primarily through growth of capital from a broad capitalization range of global stocks, excluding those of Canadian issuers. The investment performance objective of the ACWE Fund is to surpass over time the return from the MSCI All Country World Index.

10. As of February 25, 2016, the Filer managed approximately $72,328,237 in assets under administration in the ACWE Fund.

11. As of February 25, 2016, the ACWE Fund had issued 5,348,982.9999 Class F units that remain outstanding as of the date of the Application. The ACWE Fund has not issued any other class of securities to date.

12. All the underlying securities held in the portfolio of the ACWE Fund are exchange-traded, except for American deposit receipts and a debt instrument guaranteed by the U.S. Government. In any event, the portfolio of the ACWE Fund does not hold any illiquid security as that term is defined in National Instrument 81-102 *Investment Funds*.

13. As of February 25, 2016, the Large Client held, and still holds, 86.52 % of the ACWE Fund's Class F units, representing $62,5.15 in fund capitalization.

14. The Large Client recently requested Triasima to establish, and transfer the assets underlying its interest in the ACWE Fund to, another open-end investment trust with the same investment policy statement than the ACWE Fund, except

only that the newly established fund would not invest in certain fossil fuels securities after an initial divestment period (the "**ACWE Ex-Fossil Fuels Fund**") and would not exclude Canadian issuers. The investment performance objective of the ACWE Ex-Fossil Fuels Fund will be to surpass over time the return from the MSCI ACWI Ex Fossil Fuels index.

15. Pursuant to the terms of the master trust agreement that will govern the ACWE Ex-Fossil Fuels Fund, the Filer will also be appointed as Manager of that Fund.

Regulatory Requirements

16. Subsection 13.5(2)(b) (iii) of NI 31-103 prohibits inter-fund trades between two funds managed by the same responsible person. Also, the Filer is unable to rely on the exemption provided for in section 6.1 of NI 81-107 because neither Triasima Fund is subject to NI 81-107. Therefore, securities laws, regulations and instruments do not allow the Filer to transfer in kind a portion of the assets held by the ACWE Fund to the ACWE Ex-Fossils Fund.

Tax Requirements

17. In order to achieve the transfer of the underlying assets representing proportionately Large Client's interest in the ACWE Fund to the ACWE Ex-Fossil Fuels Fund while minimizing the tax consequences for the Large Client, the ACWE Fund and its unitholders, Triasima intends to take advantage of the provisions of the ITA which provides, in brief, as follows:

    (a) the transfer of assets of one trust (here the ACWE Fund) to another trust (the ACWE Ex-Fossil Fuels Fund) will be deemed to occur at cost and the ACWE Ex-Fossil Fund will be deemed to have acquired those assets at cost also, as a consequence of which there are no tax impacts for the ACWE Fund upon disposal of the transferred assets;

    (b) the cost of the units of the ACWE Fund held by the Large Client before the transfer of assets shall simultaneously become the cost of the units that the Large Client will have acquired upon the launch of the ACWE Ex-Fossil Fuels Fund. There will therefore be no tax impact for the Large Client at the time that its units in the ACWE Fund are cancelled;

    (c) there is no tax impact for the other unitholders of the ACWE Fund; and

    (d) all of the above must have taken place within 24 hours.

    The above statements are supported by a tax opinion rendered by Deloitte S.E.N.C.R.L./s.r.l.

Inter-Fund Trades

18. As a result of the foregoing, the Relief Sought would allow the Filer to cause certain inter-fund trades to be made between the ACWE Fund and the ACWE Ex-Fossil Fuels Fund, as follows:

    (a) at the launch of the ACWE Ex-Fossil Fuels Fund, prior to the market close set out in sub-paragraph 18b. below, that Fund will issue to the Large Client for a nominal consideration 4,628,187.0308 units of its own capital;

    (b) at market close on March 11, 2016 (or at a later date agreed by all of the parties involved, if all required authorizations have not been received before that date) the ACWE Fund will transfer at fair market value (the "**Transfer**") a portion of its portfolio assets (securities and cash) to the ACWE Ex-Fossil Fuels Fund, prorated on the same percentage basis as that of the units held in the ACWE Fund by the Large Client to the total number of units of the ACWE Fund (the "**Transferred Securities**");

    (c) in respect of the Transfer, the Transferred Securities will be deemed for purposes of the *Income Tax Act* (Canada) to be at their cost amount;

    (d) simultaneously, pursuant to a contractual agreement between the ACWE Fund and the Large Client, the ACWE Fund will redeem for a nil consideration, without prior notice, all of the issued and outstanding units of the ACWE Fund then held by the Large Client; and

    (e) concurrently, the ACWE Ex-Fossil Fuels Fund will acquire at cost the Transferred Securities;

(these transactions being herein called collectively, the "**Inter-Fund Trades**" or the "**Operation**").

19. The Filer has represented that the Relief Sought will not be prejudicial to both the ACWE Fund, the ACWE Ex-Fossil Fuels Fund and their respective investors' protection as:

    (a) the Operation will be tax-neutral for both these Triasima Funds and their investors whereas the sale of the said underlying portfolio assets of the ACWE Fund on the market to the ACWE Ex-Fossil Fuels Fund would generate capital gains or losses bearing tax consequences; and

    (b) the Filer would be able to manage the transfer of the particular assets more effectively, including by avoiding transaction costs for both Triasima Funds and keeping the Large Client invested at all time.

20. In respect of each Inter-Fund Trades, the securities to be delivered will meet the investment criteria of the ACWE Ex-Fossil Fuels Fund and therefore will be consistent with the investment objectives of that Fund. The fossil fuels securities that will be transferred to the ACWE Ex-Fossil Fuel Fund in the Operation will be dealt with as follows in order that all investors be treated fairly:

    (a) the fossil fuels securities underlying proportionately the Large Client's units in the ACWE Fund will be transferred to the ACWE Ex-Fossil Fuels Fund at the time of the Operation;

    (b) these fossil fuels securities would then be gradually sold by the ACWE Ex-Fossil Fuels Fund within an agreed timeline with the Large Client; and

    (c) the ACWE Ex-Fossil Fuels Fund will not offer its securities to investors other than the Large Client until the ACWE Ex-Fossil Fuels Fund has sold its fossil fuels securities.

21. The Inter-Fund Trades would be carried out in accordance with the decision of the Relief Sought and Triasima's compliance department will monitor the trades to ensure compliance with this decision.

22. The Filer will keep written records of all Inter-Fund Trades conducted, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103 and as contemplated in section 6.1(2)(g) of NI 81-107 (even if neither Triasima fund is subject to NI 81-107).

23. The Filer will not receive any compensation in respect of any Inter-Fund Trade nor in respect of any delivery of securities pursuant to an Inter-Fund Trade. No fees will be charged to or will be payable by the Large Client to the ACWE Fund in connection with the redemption by the ACWE Fund of its Class F units. In addition, all the costs associated with the creation of the ACWE Ex-Fossil Fuels Fund will be borne by the Filer. As a result, the Operation will not thereby impact the ACWE Fund nor its unitholders.

24. The ultimate beneficial owner of the underlying securities subject to the Inter-Fund Trades will remain the same (the Large Client), and both Triasima fund will remain managed by the same portfolio manager (the Filer).

25. The Filer received a tax opinion from Deloitte S.E.N.C.R.L./s.r.l. to the effect that the Operation will be tax-neutral for the Large Client, the remaining unitholders of the ACWE Fund, the ACWE Fund and the ACWE Ex-Fossil Fuels Fund.

26. Following the Operation, the ACWE Fund will have sufficient assets in order for the Filer to continue to manage its portfolio in the same way as before the Operation.

Decision

Each of the Decision Makers 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 Decision Makers under the Legislation is that the Relief Sought is granted provided that:

    (a) in respect of each Inter-Fund Trades, the Transferred Securities will meet the investment criteria of the ACWE Ex-Fossil Fuels Fund, except for the fossil fuels securities, if any, that will be transferred to the ACWE Ex-Fossil Fuel Fund in the Operation and gradually sold by the ACWE Ex-Fossil Fuels Fund within an agreed timeline with the Large Client;

    (b) the Operation has been reviewed and approved by all the parties involved;

    (c) the net asset value per unit of the ACWE Fund is unaffected by the Operation;

(d) no discretion is used in determining which portfolio assets are transferred to the ACWE Ex-Fossil Fuels Fund. That is, the same percentage of each position in the portfolio of the ACWE Fund is transferred to the ACWE Ex-Fossil Fuels Fund so that, immediately after the Operation, the ACWE Ex-Fossil Fuels Fund holds the same securities in the same proportions as the ACWE Fund;

(e) the Filer will keep written records of all Inter-Fund Trades conducted, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103 and as contemplated in section 6.1(2)(g) of NI 81-107 (even if neither Triasima fund is subject to NI 81-107);

(f) the Transferred Securities will be transferred at fair market value at market close on the day of the Operation;

(g) the Filer will notify all other unitholders of the ACWE Fund of the occurrence of the Operation, on a confidential basis, by written communication at the latest 15 days after the Operation has occurred;

(h) the Filer will confirm to the AMF that condition (g) has been fulfilled.

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

2.1.6 HGC Investment Management Inc.

Headnote

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

Applicable Legislative Provisions

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

March 15, 2016

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
HGC INVESTMENT MANAGEMENT INC.
(the Filer)

AND

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

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of HGC Arbitrage Fund Trust (the **Initial Top Fund**) and any other investment fund which is not a reporting issuer under the securities legislation of the principal regulator (the **Legislation**) and may be established and managed by the Filer in the future (together with the Initial Top Fund, the **Top Funds**), which invests its assets in HGC Arbitrage Fund LP (the **Initial Underlying Fund**) or any other investment fund which is not a reporting issuer and may be managed by the Filer in the future (together with the Initial Underlying Fund, the **Underlying Funds**), for a decision under the Legislation exempting the Filer and the Top Funds from the restriction in the Legislation which prohibits:

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

(b) an investment fund from knowingly making an investment in an issuer in which:

(i) any officer or director of the investment fund, its management company or distribution company or an associate of any of them, or

(ii) any person or company who is a substantial securityholder of the investment fund, its management company or its distribution company,

has a significant interest; and

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

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

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta.

Interpretation

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

Representations

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

The Filer

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

2. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in Ontario, as an investment fund manager and exempt market dealer in Québec, and as an exempt market dealer in British Columbia, Alberta and Manitoba.

3. The Filer is or will be the investment fund manager of the Top Funds. The Filer is or will be the investment fund manager of the Initial Underlying Fund and future Underlying Funds formed under the laws of Ontario or another jurisdiction of Canada. For future Underlying Funds formed under the laws of a foreign jurisdiction, either the Filer, an affiliate of the Filer or the Fund itself, if a corporation (acting through its board of directors), will act as the investment fund manager.

4. The Filer is or will be the portfolio manager for the Top Funds and the Underlying Funds (the **Funds**), has complete discretion to invest and reinvest the assets of the Funds, and is responsible for executing all portfolio transactions while being subject to applicable securities laws. Furthermore, the Filer may also act as a distributor of the securities of the Funds not otherwise sold through another registered dealer.

5. The Filer is not a reporting issuer in any jurisdiction of Canada and is not in default of securities legislation of any jurisdiction of Canada.

6. An officer and director of the Filer, who is also a substantial security holder of the Filer, currently has a significant interest in the Initial Underlying Fund. In the future, officers and/or directors of the Filer may be substantial security holders of the Filer or a Top Fund and have a significant interest in an Underlying Fund.

Top Funds

7. The Initial Top Fund will be an investment trust established under the laws of Ontario. The future Top Funds will be structured as trusts under the laws of Ontario or another jurisdiction of Canada.

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

9. Each of the Top Funds will be an “investment fund” as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.

10. The Initial Top Fund intends to invest substantially all of its assets in the Initial Underlying Fund. A Future Top Fund may invest substantially all of its assets in a Future Underlying Fund.

11. None of the Top Funds will be a reporting issuer in any jurisdiction of Canada.

Underlying Funds

12. The Initial Underlying Fund is a limited partnership established under the laws of Ontario. The future Underlying Funds will be structured as limited partnerships.

13. The general partner of the Initial Underlying Fund is HGC Arbitrage Fund GP LP, an affiliate of the Filer. The general partner of each future Underlying Fund will be an affiliate of the Filer.

14. Each of the Underlying Funds has, or will have, separate investment objectives and investment strategies.

15. In Canada, securities of each Underlying Fund are, or will be, sold solely to investors pursuant to exemptions from the prospectus requirements in accordance with NI 45-106.

16. Each of the Underlying Funds is, or will be, an "investment fund" as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.

17. Each Underlying Fund has, or is expected to have, other investors in addition to the Top Fund.

18. None of the Underlying Funds is, or will be, a reporting issuer in any jurisdiction of Canada.

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

Fund-on-Fund Structure

20. As a limited partnership, securities of the Initial Underlying Fund are not qualified investments under the *Income Tax Act* (Canada) for registered plans and tax-free savings accounts.

21. A Top Fund will allow its investors to obtain indirect exposure to the investment portfolio of an Underlying Fund and its respective investment strategies through, primarily direct investments by the Top Fund in securities of the Underlying Fund (the **Fund-on-Fund Structure**).

22. Unlike the Initial Underlying Fund, which is a limited partnership, the Initial Top Fund will be organized as a trust for the purpose of accessing a broader base of investors, including registered plans and tax-free savings accounts, and other investors that may not wish to invest directly in a limited partnership.

23. The Fund-on-Fund Structures involving Future Top Funds and Future Underlying Funds will be similarly structured.

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

25. The portfolio of each Underlying Fund will consist primarily of publicly traded securities. Each Underlying Fund will not hold more than 10% of its net asset value (**NAV**) in illiquid assets (as defined in National Instrument 81-102 *Investment Funds* (**NI 81-102**)). An investment by a Top Fund in an Underlying Fund will be effected based on an objective NAV of the Underlying Fund and on the same basis as other investments in the Underlying Fund.

26. Prior to the time of investment, securityholders of a Top Fund will be provided with disclosure with respect to each officer and/or director of the Filer, if any, that has a significant interest in the Underlying Funds through investments made in securities of such Underlying Funds (due to the provision of seed capital and/or ongoing investments from time to time) and that such officer and/or director of the Filer, if any, is also a substantial securityholder of the Filer. Securityholders in a Top Fund will also be advised of the potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in any offering memorandum prepared in connection with a distribution of securities of the Top Fund, or if no offering memorandum is prepared, in another document provided to investors of the Top Fund.

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

28. No Underlying Fund will be a Top Fund.

29. A Top Fund will have the same valuation and redemption dates as its Underlying Fund.

Generally

30. The Filer expects that the assets of each Underlying Fund (and the assets of each Top Fund only if such Top Fund holds securities other than securities of an Underlying Fund) are, or will be, held by an entity that meets the qualifications of section 6.2 of NI 81-102 (for assets held in Canada) or an entity that meets the qualifications of section 6.3 of NI 81-102 (for assets held outside Canada) except that its financial statements may not be publicly available.

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

32. In addition, the Fund-on-Fund Structure may result in a Top Fund investing in an Underlying Fund in which an officer or director of the Filer has a significant interest and/or a Top Fund investing in an Underlying Fund in which a person or company who is a substantial securityholder of the Top Fund or the Filer has a significant interest.

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

34. A Top Fund's investments in an Underlying Fund represent the business judgement of a responsible person uninfluenced by considerations other than the best interests of the investment funds concerned.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

(a) securities of the Top Funds are distributed in Canada solely pursuant to exemptions from the prospectus requirements in NI 45-106;

(b) the investment by a Top Fund in an Underlying Fund is compatible with the investment objectives of the Top Fund;

(c) no Top Fund will purchase or hold securities of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its NAV in securities of other investment funds, unless the Underlying Fund:

(i) is a "clone fund" (as defined by NI 81-102),

(ii) purchases or holds securities of a "money market fund" (as defined by NI 81-102), or

(iii) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by an investment fund;

(d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;

(e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;

(f) the Filer will not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of the Underlying Fund except that the Filer may arrange for the securities the Top Fund holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

(g) the offering memorandum, where available, or other disclosure document of a Top Fund, will be provided to investors in the Top Fund prior to the time of investment and will disclose:

a. that the Top Fund may, or is expected to, (as the case may be) purchase securities of the Underlying Fund;

b. the approximate or maximum percentage of net assets of the Top Fund that is intended be invested in securities of the Underlying Fund;

c. that the Filer is the investment fund manager and/or portfolio manager of both the Top Fund and the Underlying Fund;

d. each officer, director or substantial security holder of the Filer or of a Top Fund that has a significant interest in the Underlying Fund, the approximate amount of the significant interest they hold, on an aggregate basis, expressed as a percentage of the NAV of the Underlying Fund, and the potential conflicts of interest which may arise from such relationships;

e. the fees, expenses and any performance or incentive distributions payable by the Underlying Fund that the Top Fund invests in;

f. that investors are entitled to receive from the Filer, on request and free of charge, a copy of the offering memorandum or other similar disclosure document of the Underlying Fund (if available); and

g. that investors are entitled to receive from the Filer, on request and free of charge, the annual and semi-annual financial statements relating to the Underlying Fund in which the Top Fund invests its assets.

"Judith Robertson"
Commissioner
Ontario Securities Commission

"William J. Furlong"
Commissioner
Ontario Securities Commission

2.1.7 FT Portfolios Canada Co. and First Trust Senior Loan ETF (CAD-Hedged)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief to permit a senior loan exchange-traded fund to borrow cash up to an amount equal to 10% of NAV as a temporary measure to accommodate requests for the redemption of units of the fund – relief needed due to longer settlement times of senior loans – relief subject to numerous conditions – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.6(a)(i), 19.1.

March 15, 2016

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

AND

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

AND

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

AND

IN THE MATTER OF
FIRST TRUST SENIOR LOAN ETF (CAD-HEDGED)
(the "First Trust ETF" or "FSL")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the First Trust ETF for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief, pursuant to Section 19.1 of National Instrument 81-102 – *Investment Funds* (**NI 81-102**), from the borrowing restriction in Section 2.6(a)(i) of NI 81-102, in order to allow the First Trust ETF to borrow cash on a temporary basis to accommodate requests for the redemption of its Units (as defined below) while the First Trust ETF settles portfolio transactions initiated to satisfy such redemption requests provided that the outstanding amount of all borrowings of the First Trust ETF does not exceed 10% of its net asset value at the time of borrowing (the **Exemption Sought**).

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

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

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

Interpretation

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

"Basket of Securities" means a group of securities determined by the Filer from time to time representing the constituents of the investment portfolio then held by the First Trust ETF.

"Dealers" means registered brokers and dealers that have entered into dealer agreements with the First Trust ETF and that subscribe for and purchase Units from the First Trust ETF, and "Dealer" means any one of them.

"Designated Brokers" means registered brokers and dealers that enter into agreements with the First Trust ETF to perform certain duties in relation to the First Trust ETF, including posting a liquid two-way market for the trading of Units on the TSX or another marketplace.

"Designated Counterparty" means a person or company, or the direct or indirect parent company of such person or company, whose securities have a "designated rating", as defined in National Instrument 44-101 *Short Form Prospectus Distributions*.

"Prescribed Number of Units" means the number of Units of the First Trust ETF determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"Unit" a redeemable, transferable Common Unit or Advisor Class Unit of the First Trust ETF, which represents an equal, undivided interest in the net assets of the First Trust ETF.

"Unitholders" means beneficial and registered holders of Units of the First Trust ETF.

Representations

This decision is based on the following facts represented by the Filer on behalf of itself and the First Trust ETF:

1. The Filer is the trustee and manager of the First Trust ETF. The head office of the Filer is located in Toronto, Ontario.

2. First Trust Advisors L.P. (**First Trust Advisors** or the **Portfolio Advisor**), which is registered under the *Securities Act* (Ontario) as a portfolio manager, is the portfolio advisor of the First Trust ETF and an affiliate of the Filer.

3. None of the Manager, First Trust Advisors and the First Trust ETF is in default of securities legislation in any of the Jurisdictions.

4. The First Trust ETF is a reporting issuer all of the provinces and territories of Canada. The First Trust ETF distributes its Units in such jurisdictions under a long form prospectus in the form of Form 41-101F2 – *Information Required in an Investment Fund Prospectus* (the **Prospectus**).

5. The First Trust ETF is an exchange traded mutual funds in continuous distribution that is subject to NI 81-102.

6. The First Trust ETF has issued Units that are listed and posted for trading on the Toronto Stock Exchange.

7. The investment objective of FSL is to seek to provide Unitholders with a high level of current income by investing primarily in a diversified portfolio of senior floating rate loans and debt securities, with capital appreciation as a secondary objective. FSL invests primarily in a portfolio of senior floating rate loans which are generally rated at or below BB+ by Standard & Poors, or Ba1 or less by Moody's Investor Services, Inc., or a similar rating by designated rating organization (as defined in NI 81-102).

8. FSL may invest up to 20% of its net assets in other floating rate debt instruments, including floating rate bonds, floating rate notes, money market instruments, floating rate debentures and tranches of floating rate asset-backed securities, structured notes, made to, or issued by, U.S. and non-U.S. corporations or other business entities, other fixed-rate income producing securities (including, without limitations, U.S. government debt securities, investment grade and below-investment grade corporate debt securities), securities of other investment funds, warrants and equity securities and derivatives. FSL will generally seek to hedge substantially all of its U.S. dollar currency exposure back to the Canadian dollar.

9. The First Trust ETF invests in senior loans that First Trust Advisors believes exhibit the best combination of attractive fundamental credit characteristics and relative value within the senior loan market. First Trust Advisors seeks to assemble a well-diversified portfolios that includes loans of issuers with strong credit metrics, including strong cash flows and effective management teams. Senior loans, compared to equivalently rated unsecured high yield bonds, typically offer a higher recovery rate because of the protection offered by their secured nature and their priority claim relative to other debt instruments.

10. The liquidity of all senior loans investments is assessed prior to each investment. This involves assessing a range of different loan factors including the the bid-offer spread, market depth, data freshness, movers count, quoted size of

trades, and directional strength of price movements.

11. In addition, in order to monitor the Fund's ability to meet unitholder redemptions under stressed market conditions, the liquidity of the First Trust ETF's portfolio of senior loans is actively monitored on an ongoing basis through stress testing. At least once each month, a screen is run on all of the senior loans held by the First Trust ETF and any loans with a high 30 day average liquidity score are flagged. The Portfolio Advisor is then prompted to review the market data and consider whether the loan is illiquid.

12. Generally, orders to purchase Units directly from the First Trust ETF must be placed by Designated Brokers or Dealers in a Prescribed Number of Units (or an integral multiple thereof). Investors are generally expected to purchase and sell Units, directly or indirectly, through dealers executing trades through the facilities of the TSX or another marketplace in Canada. Units may also be issued directly to the First Trust ETF's investors upon the reinvestment of distributions of income or capital gains.

13. Designated Brokers perform certain other functions, which inclue standing in the market with a bid and ask price for Units for the purpose of maintaining liquidity for the Units.

14. Unitholders may redeem Units of the First Trust ETF for cash at a redemption price per Unit equal to the lesser of (a) 95% of the closing price for the Units on the TSX on the effective day of the redemption; and (b) the NAV per Unit. Unitholders of the First Trust ETF (generally Designated Brokers or Dealers) may also exchange the Prescribed Number of Units (or an integral multiple thereof) for Baskets of Securities and/or cash in the discretion of the Manager.

15. The net asset value per Unit of each class of the First Trust ETF is calculated and published daily on the Manager's website at www.firstrust.ca.

16. The Filer believes the senior loan investments made by the First Trust ETF can be liquidated in a timely fashion, however, the settlement time is typically longer than that of equity securities.

17. Senior loans, compared to equivalently rated unsecured high yield bonds, typically offer a higher recovery rate because of the protection offered by their secured nature and their priority claim relative to other debt instruments. This security is generally achieved by security interests on physical or non-physical assets and, even if not realized through liquidation, can greatly increase recovery in a reorganization scenario.

18. The purchaser of a senior loan that will be transacting with the First Trust ETF will always be a dealer that is a Designated Counterparty.

19. The sale of a senior loan between the First Trust ETF and a Designated Counterparty will always be subject to the standard terms and conditions for par/near par trade confirmations published by the Loan Syndications and Trading Association (the "**Terms**"). The Terms are binding on the parties to the transaction and do not contain any termination provisions for force majeure or the stress or dislocation of the senior loan market.

20. The Filer has determined that it would be prudent for the First Trust ETF to request the Exemption Sought in order to borrow cash on a temporary basis to accommodate requests for the exchange or redemption of its Units while the First Trust ETF settles portfolio transactions initiated to satisfy such requests provided that the outstanding amount of all borrowing of the First Trust ETF does not exceed 10% of its net asset value at the time of borrowing.

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 Decision Maker under the Legislation is that the Exemption Sought is granted provided that:

(a) if trading of the Units on the TSX of a First Trust ETF is suspended for a period exceeding 30 days, the First Trust ETF will begin taking all necessary steps to ensure that all amounts borrowed under the overdraft facility are fully repaid as soon as commercially reasonable, but no later than 90 days from the date of suspension, provided that such repayment need not be completed if the suspension is lifted within 90 days from the date of the suspension;

(b) the First Trust ETF does not make a distribution to its Unitholders where that distribution would impair the ability of such First Trust ETF to repay the funds borrowed under the overdraft facility;

(c) the First Trust ETF's next renewal prospectus or amendment to prospectus to be filed in connection with the continuous distribution of its Units discloses the maximum percentage of assets of the First Trust ETF that the

borrowing may represent, the First Trust ETF's intended use of the amounts borrowed under the overdraft facility, the material terms of the overdraft facility, and the risks arising from the borrowing under the overdraft facility;

(d) the First Trust ETF's next renewal prospectus or amendment to prospectus to be filed in connection with the continuous distribution of its Units will have textbox disclosure stating that: (i) the First Trust ETF invests primarily in senior secured loans, which are generally rated below investment grade debt, (ii) settlement periods for senior secured loans may be longer than for other types of debt securities, such as corporate bonds, and (iii) the First Trust ETF is not a substitute for holding money market securities; and

(e) the First Trust ETF may only borrow cash in excess of 5% of its net asset value if all of the following conditions are satisfied:

(i) after giving effect to the borrowing, the outstanding amount of all borrowings of the First Trust ETF does not exceed 10% of its the net asset value of the First Trust ETF;

(ii) the First Trust ETF has entered into a binding agreement with a Designated Counterparty(s) to sell a senior loan(s) in order to satisfy redemption requests, but the settlement period on the senior loan(s) exceeds three days; and

(iii) the amount of cash that the First Trust borrows does not exceed the amount of cash that it will receive in respect of the sale of the senior loan(s) referred to in paragraph (e)(ii) above.

(iv) the First Trust ETF has sold all of the securities in its portfolio, other than senior loan holdings, and has used all of its available cash in order to satisfy redemption requests.

The Exemption Sought expires on the date that is 18 months after the date of this decision.

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

2.1.8 PowerShares Low Volatility Portfolio ETF, et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from item 38.1(3) of Form 41-101F2 to exempt the ETFs from including in the prospectus audited financial statements and an auditor's report.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, section 19.1 and Form 41-101F2 Information Required in an Investment Fund Prospectus, item 38.1(3).

February 19, 2016

Invesco Canada Ltd.

Attention: Julianna Ahn

Dear Sirs/Mesdames:

Re: PowerShares Low Volatility Portfolio ETF, PowerShares Global Shareholder Yield ETF and PowerShares FTSE RAFI Global Small-Mid Fundamental ETF (The ETFs)

Exemptive Relief Application under Part 19 of National Instrument 41-101 General Prospectus Requirements (NI 41-101)

Application No. 2016/0068, SEDAR Project No. 2437882

By letter dated January 22, 2016 (the **Application**), you applied on behalf of the ETFs to the Director of the Ontario Securities Commission (the **Director**) pursuant to section 19.1 of NI 41-101 for an exemption from the requirement of Item 38.1(3) of Form 41-101F2 Information Required in an Investment Fund Prospectus. The relief is to exempt the ETFs from including in the prospectus audited financial statements and an auditor's report prepared in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure* in the prospectus of the ETFs (the **Requested Relief**)

This letter confirms that, based on the information and representations made in the Application, and for the purpose described in the Application, the Director intends to grant the Requested Relief to be evidenced by the issuance of a receipt for the ETFs' prospectus.

Yours very truly,

"Raymond Chan"
Manager
Investment Funds and Structured Products Branch

2.1.9 PowerShares Low Volatility Portfolio ETF, et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from item 38.1(3) of Form 41-101F2 to exempt the ETFs from including in the prospectus audited financial statements and an auditor's report.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, section 19.1 and Form 41-101F2 Information Required in an Investment Fund Prospectus, item 38.1(3).

February 19, 2016

Invesco Canada Ltd.

Attention: Julianna Ahn

Dear Sirs/Mesdames:

Re: PowerShares Low Volatility Portfolio ETF, PowerShares Global Shareholder Yield ETF and PowerShares FTSE RAFI Global Small-Mid Fundamental ETF (The ETFs)

Exemptive Relief Application under Part 19 of National Instrument 41-101 General Prospectus Requirements (NI 41-101)

Application No. 2016/0068, SEDAR Project No. 2437882

By letter dated January 22, 2016 (the **Application**), you applied on behalf of the ETFs to the Director of the Ontario Securities Commission (the **Director**) pursuant to section 19.1 of NI 41-101 for an exemption from the requirement of Item 38.1(3) of Form 41-101F2 *Information Required in an Investment Fund Prospectus*. The relief is to exempt the ETFs from including in the prospectus audited financial statements and an auditor's report prepared in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure* in the prospectus of the ETFs (the **Requested Relief**)

This letter confirms that, based on the information and representations made in the Application, and for the purpose described in the Application, the Director intends to grant the Requested Relief to be evidenced by the issuance of a receipt for the ETFs' prospectus.

Yours very truly,

"Raymond Chan"
Manager
Investment Funds and Structured Products Branch

2.1.10 1832 Asset Management L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from paragraphs 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Investment Funds to permit existing and future mutual funds to invest up to 10% of their net assets in closed-end funds traded on a stock exchange in Canada and the United States – one mutual fund permitted to invest up to 25% of its net assets in closed-end funds in Canada and the United States provided the closed-end funds comply with the investment restrictions in NI 81-102 applicable to mutual funds – relief granted to one mutual fund to facilitate "cloning" structure in which corporate class fund replicates performance of mutual fund trust that invests in underlying closed-end funds – name of corporate class corresponds to name of intermediate fund, and top fund investment objectives includes name of intermediate fund and make reference to cloning strategy – fund of fund investing by top funds to otherwise comply with fund of fund restrictions in section 2.5 of NI 81-102.

Applicable Legislative Provisions

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

March 16, 2016

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
1832 ASSET MANAGEMENT L.P.
(the Filer or Manager)

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of (i) the Top Funds (as defined below) for an exemption effective as of March 21, 2016 (the Effe**ctive Date**) under the securities legislation of the jurisdiction of the principal regulator (the **Legislation**) from paragraphs 2.5(2)(a) and (c) of National Instrument 81-102 *Investment Funds* (**NI 81-102)** to permit the Top Funds to purchase and hold securities of Underlying Closed-End Funds (as defined below) (the **Underlying CEF Relief**) and (ii) Dynamic Alternative Yield Class (**DAYC**) for an exemption under the Legislation from paragraph 2.5(2)(b) of NI 81-102 to permit DAYC to invest in the Specified Top Fund (as defined below), notwithstanding that at the time of investment the Specified Top Fund holds more than 10% of its net asset value in Underlying Closed-End Funds (the **Triple Fund Relief** and, together with the Underlying CEF Relief, the **Requested Relief**).

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

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

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

INTERPRETATION

Unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and National Instrument 81-107 *Independent Review Committee for Investment Funds* have the same meaning in this decision. In addition, the following terms have the following meanings:
Act means the *Securities Act* (Ontario) as may be amended from time to time.

Amendments means certain amendments to section 2.5 of NI 81-102, which prohibit a mutual fund from purchasing or holding a security of another investment fund unless, among other things:

(a) under subsection 2.5(2)(a), the other investment fund is a mutual fund that is subject to NI 81-102 and offers or has offered securities under a simplified prospectus in accordance with NI 81-101 (the **s.2.5(a) Investment Restriction**); and

(b) under subsection 2.5(2)(c), the mutual fund and the other investment fund are reporting issuers in the local jurisdiction (together with the s.2.5(a) Investment Restriction, the **Investment Restrictions**).

Investment Company Act means the *Investment Company Act of 1940* and the rules and regulations thereunder, as the same may be amended from time to time.

NI 81-101 means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

Non-redeemable investment fund has the meaning as ascribed to it in subsection 1(1) of the Act.

Specified Top Fund means Dynamic Alternative Yield Fund, which is subject to NI 81-102 and managed and advised by the Manager.

Top Funds means the existing mutual funds and future mutual funds, which are or will be subject to NI 81-102 and are or will be managed and/or advised by the Manager or an affiliate or associate of the Manager and which, for greater certainty, includes the Specified Top Fund.

Underlying Canadian Closed-End Fund means a non-redeemable investment fund that is subject to NI 81-102, that is not managed and/or advised by the Manager or an affiliate or associate of the Manager, and whose securities are listed on a stock exchange in Canada.

Underlying Closed-End Fund means an Underlying Canadian Closed-End Fund or an Underlying U.S. Closed-End Fund.

Underlying U.S. Closed-End Fund means a non-redeemable investment fund that is not subject to NI 81-102 but is subject to the Investment Company Act, that is not managed and/or advised by the Manager or an affiliate or associate of the Manager, and whose securities are listed on a stock exchange in the United States.

REPRESENTATIONS

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

The Manager

1. The Manager is an Ontario limited partnership, which is wholly-owned indirectly by The Bank of Nova Scotia. The general partner of the Manager is 1832 Asset Management G.P. Inc., an Ontario corporation wholly-owned directly by The Bank of Nova Scotia, with its head office in Ontario.

2. The Manager is registered as: (i) a portfolio manager in all of the provinces of Canada and in Northwest Territories and Yukon; (ii) an exempt market dealer in all of the provinces of Canada (except Prince Edward Island and Saskatchewan); (iii) an investment fund manager in Ontario, Quebec, Newfoundland and Labrador and Northwest Territories; and (iv) a commodity trading manager in Ontario.

3. The Manager is not in default of securities legislation in any of the Jurisdictions.

The Top Funds

4. Each of the Top Funds is or will be established as an open-ended mutual fund trust, limited partnership or class of shares of a mutual fund corporation, in each case established or governed under the laws of the Province of Ontario or the laws of Canada.

5. Each of the Top Funds is or will be a “reporting issuer” (as defined in the Act) in one or more of the Jurisdictions. The securities of each Top Fund are or will be qualified for distribution in one or more of the Jurisdictions pursuant to a simplified prospectus and annual information form that has been or will be filed in accordance with the securities legislation of each of the relevant Jurisdictions.
6. The investment objectives and investment strategies of each of the Top Funds generally permit or will permit the Top Funds to invest in Underlying Closed-End Funds.

7. The investment strategies of the Specified Top Fund expressly state that the Specified Top Fund may invest in Underlying Closed-End Funds.

8. No Top Fund is in default of securities legislation in any of the Jurisdictions.

Underlying Closed-End Funds

9. Each Underlying Canadian Closed-End Fund is or will be a non-redeemable investment fund that is subject to NI 81-102, that is not managed and/or advised by the Manager or an affiliate or associate of the Manager and whose securities are listed on a stock exchange in Canada.

10. Each Underlying U.S. Closed-End Fund is or will be a non-redeemable investment fund that is not subject to NI 81-102 but is subject to the Investment Company Act, that is not managed and/or advised by the Manager or an affiliate or associate of the Manager and whose securities are listed on a stock exchange in the United States.

Investment by the Top Funds in Underlying Closed-End Funds

11. Each of the existing Top Funds that currently invest in Underlying Closed-End Funds filed a prospectus on or before September 22, 2014, and therefore pursuant to the Amendments the Top Funds are not required to comply with the Investment Restrictions until the Effective Date.

12. But for the Requested Relief, as of the Effective Date

    (a) the s.2.5(a) Investment Restriction would prohibit a Top Fund from purchasing or holding securities of an Underlying Canadian Closed-End Fund because the Underlying Canadian Closed-End Funds (i) are not mutual funds, and (ii) do not offer, and have not offered, securities under a simplified prospectus in accordance with NI 81-101; and

    (b) the Investment Restrictions would prohibit a Top Fund from purchasing or holding securities of a U.S. Closed-End Fund because the Underlying U.S. Closed-End Funds (i) are not mutual funds, (ii) are not subject to NI 81-102, (ii) do not offer, and have not offered, securities under a simplified prospectus in accordance with NI 81-101, and (iii) are not "reporting issuers" within the meaning of the Act in the applicable Jurisdiction(s).

Three-Tier Fund Structure

13. DAYC seeks to provide a return that is similar to the Specified Top Fund. DAYC has, from its inception, achieved its investment objectives by investing in the Specified Top Fund. Aside from a reference in the investment objectives of DAYC to the possibility of entering into income conversion transactions, the investment objectives of DAYC and the Specified Top Fund are identical.

14. DAYC could achieve its investment objectives by investing directly in securities, including in Underlying Closed-End Funds. However, the Filer has determined that it is better for DAYC to achieve its investment objectives by continuing to invest substantially all of its assets in the Specified Top Fund for the following reasons:

    (a) This arrangement will be somewhat more tax efficient for DAYC. This is important because DAYC is designed to be held in taxable accounts, whereas the Specified Top Fund is designed to be held in registered accounts, and

    (b) This arrangement will reduce tracking errors between DAYC and the Specified Top Fund, since any adjustments made by the Specified Top Fund to its portfolio will automatically adjust the exposure of DAYC to that portfolio.

15. Accordingly, the Filer wishes to provide DAYC with the ability to invest in the Specified Top Fund, notwithstanding that the Specified Top Fund has invested 10% or more of its net asset value in Underlying Closed-End Funds.

16. DAYC's investment in securities of the Specified Top Fund will otherwise be made in accordance with the requirements of section 2.5 of NI 81-102.

17. When the simplified prospectus of DAYC is next renewed, the Filer will (A) clarify the investment objectives and the investment strategies of DAYC in order to disclose (i) in the investment objectives, the name of the Specified Top Fund and (ii) in the investment strategies, the investment strategies of the Specified Top Fund; and (B) add similar disclosure to the Fund Facts of DAYC.

18. The simplified prospectus of DAYC discloses that there will be no duplication of fees and expenses as a result of its investment in other investment funds.

19. DAYC will comply with the requirement under National Instrument 81-106 *Investment Fund Continuous Disclosure* relating to the top 25 positions portfolio holdings disclosure in its management reports of fund performance and the requirements of Form 81-101F3 *Contents of Fund Facts Document* relating to top 10 position portfolio holdings disclosure in its Fund Facts as if DAYC were investing directly in the securities held by the Specified Top Fund.

20. The Triple Fund Relief will result in a fund of fund structure that is akin to, and no more complex than, the three-tier structure currently permitted under subsection 2.5(4)(a) of NI 81-102.

21. An investment by DAYC in the Specified Top Fund and by the Specified Top Fund in Underlying Closed-End Funds represents the business judgement of responsible persons of DAYC and the Specified Top Fund, uninfluenced by considerations other than the best interests of DAYC and the Specified Top Fund, respectively.

22. The Filer has determined that it would be in the best interest of DAYC to receive the Triple Fund Relief.

DECISION

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

The decision of the principal regulator under the Legislation is that the Underlying CEF Relief is granted provided that:

(a) the securities of each Underlying Closed-End Fund trade on a stock exchange in Canada or the United States;

(b) a Top Fund (other than the Specified Top Fund) does not purchase securities of an Underlying Closed-End Fund if, immediately after the purchase, more than 10% of the Top Fund's net asset value would consist of securities of Underlying Closed-End Funds;

(c) the Specified Top Fund does not purchase securities of an Underlying Closed-End Fund if, immediately after the purchase, more than 25% of the Specified Top Fund's net asset value would consist of securities of Underlying Closed-End Funds;

(d) subject to (e) and (f) below, other than with respect to paragraphs 2.12(1)10, 2.13(1)9 and 2.14(1)8 of NI 81-102, each Underlying Closed-End Fund complies with the investment restrictions in NI 81-102 applicable to mutual funds;

(e) the weighted average leverage exposure of the Specified Top Fund does not exceed 10% of the net asset value of the Specified Top Fund. The Specified Top Fund's weighted average leverage exposure is determined by multiplying (i) the leverage employed by each Underlying Closed-End Fund, by (ii) the percentage of the Specified Top Fund's net asset value to be invested in such Underlying Closed-End Fund;

(f) the Specified Top Fund may invest an amount equal to 10% of its net asset value in Underlying Closed-End Funds that do not comply with the investment restrictions in NI 81-102; and

(g) the Manager uses pre-trade compliance controls to monitor the restrictions in paragraphs (d), (e) and (f) above.

The decision of the principal regulator under the Legislation is that the Triple Fund Relief is granted provided that:

(a) the proposed investment of DAYC in the Specified Top Fund is otherwise made in compliance with all other requirements of section 2.5 of NI 81-102; and

(b) when the simplified prospectus of DAYC is next renewed, (A) the investment objectives and the investment strategies of DAYC as set out in the simplified prospectus are clarified in order to disclose (i) in the investment objectives, the name of the Specified Top Fund and (ii) in the investment strategies, the investment strategies of the Specified Top Fund; and (B) similar disclosure is added the Fund Facts of DAYC.

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

2.1.11 Arrow Capital Management Inc., et al.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions -approval of restructuring involving two investment funds – approval required because restructuring does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – the continuing fund does not have substantially similar fee structure as the terminating fund – the restructuring will not be a "qualifying exchange" or tax-deferred transaction under the Income Tax Act (Canada) – securityholders of the terminating fund not permitted to redeem their securities prior to the date of the restructuring – securityholders of terminating funds provided with timely and adequate disclosure regarding the restructuring and the continuing fund.

Applicable Legislative Provisions

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

March 15, 2016

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

AND

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

AND

IN THE MATTER OF
ARROW CAPITAL MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
RAVEN ROCK STRATEGIC INCOME FUND

AND

RRF TRUST

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of Raven Rock Strategic Income Fund (the "**Fund**") and RRF Trust (the "**Reference Fund**", and together with the Fund, the "**Funds**") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for approval pursuant to subsection 5.5(1)(b) of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") of the proposed restructuring (the "**Restructuring**") of the Funds (the "**Requested Approval**").

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

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

(b) the Filer has provided notice that 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, Northwest Territories, Yukon and Nunavut (the "**Passport Jurisdictions**" and, together with Ontario, the "**Jurisdictions**").

Interpretation

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

Representations

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

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

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

   (a) Ontario: Portfolio Manager, Investment Fund Manager ("**IFM**"), Exempt Market Dealer ("**EMD**") and Commodity Trading Manager under the *Commodity Futures Act* (Ontario);

   (b) Alberta: EMD;

   (c) British Columbia: EMD;

   (d) Quebec: EMD and IFM; and

   (e) Newfoundland and Labrador: IFM.

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

4. The Fund is a non-redeemable investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of October 29, 2012, as amended and restated on October 9, 2013 and December 31, 2013. The Filer is the trustee and manager of the Fund.

5. The Reference Fund is an investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of October 29, 2012, as amended and restated on November 19, 2012. The Filer is the trustee and manager of the Reference Fund.

6. The Fund is a reporting issuer in each of the Jurisdictions and the Reference Fund is currently a reporting issuer in Ontario and Quebec. Neither of the Funds is in default of securities legislation in any of the Jurisdictions.

7. The Fund completed an initial public offering of units ("**Fund Units**") in the Jurisdictions pursuant to a prospectus dated October 29, 2012. The Fund Units are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol RRF.UN.

8. The investment objectives of the Fund are to: (i) maximize total returns to Unitholders while reducing risk; (ii) pay monthly tax-advantaged cash distributions; (iii) mitigate the impact of market and interest rate risks through the use of hedging strategies; and (iv) mitigate the impact of foreign exchange risks through the use of currency hedging strategies; by obtaining exposure to a portfolio (the "**Portfolio**") comprised primarily of U.S. convertible and high yield bonds held by the Reference Fund. To pursue its investment objectives, the Fund is party to a forward agreement dated November 19, 2012 ("**Forward Agreement**") which provides the Fund with exposure to the returns of the Portfolio held by the Reference Fund.

9. The Reference Fund filed a non-offering prospectus in Ontario and Quebec dated October 29, 2012. All of the outstanding units of the Reference Fund (the "**Reference Fund Units**") are currently held by the counterparty to the Forward Agreement.

10. The investment objectives of the Reference Fund are to: (i) maximize total returns while reducing risk; (ii) mitigate the impact of market and interest rate risks through the use of hedging strategies; and (iii) mitigate the impact of foreign exchange risks through the use of currency hedging strategies; by holding the Portfolio.

11. The Fund and the Reference Fund currently pay all ongoing costs and expenses incurred in connection with the Fund's operations and administration. The Fund and the Reference Fund also pay the Filer (i) an aggregate annual management fee equal to 1.25% per annum of the net asset value of the Fund, calculated and payable monthly in arrears plus applicable taxes; and (ii) a performance fee equal to 15% of profits during a fiscal year, subject to a hurdle rate of 6.4% per annum. In addition, the Fund pays each registered dealer a service fee equal to 0.50% annually of the net asset value per unit for each unit held by the clients of such registered dealer.

12. The Restructuring will be effected by the following primary steps:

    (a) the pre-settlement of the Forward Agreement, resulting in the Fund becoming the sole unitholder of the Reference Fund;

    (b) the conversion (the "**Conversion**") of the Reference Fund to an open-end mutual fund to be administered in accordance with NI 81-102 and all matters ancillary thereto, including,

        (i) a change in the name of the Reference Fund to Exemplar U.S. High Yield Fund;

        (ii) a change in the investment objectives, investment strategies and investment restrictions of the Reference Fund;

        (iii) a change in the structure of the fees that are paid by the Reference Fund to its manager, the Filer; and

        (iv) a change in the voting rights attaching to the Reference Fund Units;

    (c) the termination of the Fund and, after settlement of the liabilities of the Fund, the in specie distribution to Unitholders of their proportionate share of the net assets of the Fund, being the Reference Fund Units.

13. Unitholders of the Fund approved the Restructuring at a special meeting (the "**Meeting**") of unitholders held on March 2, 2016, as required pursuant to NI 81-102. In approving the Restructuring, Unitholders, in effect, indicated their acceptance of the fundamental investment objective of the Reference Fund following completion of the Conversion.

14. Subject to necessary regulatory approval, the Restructuring is expected to occur on or about March 16, 2016. The Fund will be wound-up as soon as reasonably practicable following the Restructuring.

15. A notice of meeting, a management information circular dated January 29, 2016 (the "**Circular**"), and a proxy in connection with the Restructuring was mailed to the Unitholders in accordance with applicable securities laws. The Circular contains a full description of the structure, rationale, benefits and tax consequences of the Restructuring as well as a full description of the Fund, the Reference Fund and the proposed changes to the Reference Fund and the Reference Fund Units in connection with the Conversion. The Circular discloses that Unitholders may obtain at no cost, the Fund's most recent comparative financial statements and the most recent annual management report on the Fund's performance, by contacting the Filer or by accessing the website of the Filer or the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

16. In connection with the Conversion, a preliminary simplified prospectus (the "**Simplified Prospectus**") of the Exemplar U.S. High Yield Fund (formerly, the Reference Fund) dated February 4, 2016 was filed in each of the Jurisdictions, other than Nunavut. To the knowledge of the Filer, no unitholders of the Fund are resident in Nunavut. The Simplified Prospectus contains a description of the Reference Fund upon completion of the Conversion.

17. As a result of the Conversion:

    (a) the Reference Fund Units will be re-designated as Series A units of the Exemplar U.S. High Yield Fund;

    (b) the investment objective of the Reference Fund will be to provide a high level of total return through a combination of income and capital appreciation by primarily investing in higher yielding, lower quality fixed income securities issued by United States corporations;

    (c) the Reference Fund will be subject to NI 81-102;

    (d) the Filer will remain as manager and trustee of the Reference Fund;

    (e) Lazard Asset Management (Canada) Inc. will remain as advisor to the Filer and the Reference Fund and will manage the Portfolio;

    (f) CIBC Mellon Trust Company will become the custodian of the Reference Fund;

    (g) the Independent Review Committee of the Reference Fund will remain the same;

    (h) the Reference Fund will be governed by the master declaration of trust that applies to all of the mutual funds managed by the Filer, which (i) provides for the ongoing issuance of units at net asset value per unit; (ii)

provides switching and redemption rights to unitholders; and (iii) enables the funds to distribute units continuously; and

(i) the Reference Fund will pay (i) an annual management fee equal to 1.75% per annum of the Reference Fund's net asset value, calculated and payable monthly in arrears plus applicable taxes; and (ii) all expenses incurred in connection with its operation and administration, including applicable taxes. The Reference Fund will not pay a performance fee.

18. The Filer will pay for the costs and expenses associated with the Restructuring, including the cost of holding the Meeting, soliciting proxies, and mailing the Circular and accompanying materials, the costs of preparing and filing the Simplified Prospectus to commence continuous distribution of the Reference Fund Units and any brokerage commissions payable as a result of any realignment of the Portfolio required in connection with the Restructuring. The Funds will not bear any of the costs and expenses associated with the Restructuring.

19. As required by National Instrument 81-107 *Independent Review Committee*, the terms of the Restructuring were presented to the independent review committee (the "**Independent Review Committee**") of the Fund for its review and recommendation. After considering the potential conflict of interest matter related to the Restructuring, the Independent Review Committee provided its positive recommendation for the Restructuring.

20. Unitholders of the Fund will be able to trade their Fund Units on the TSX in the ordinary course until the close of business on the business day before the effective date of the Restructuring and, upon completion of the Restructuring, Unitholders will be able to redeem their Reference Fund Units at the applicable net asset value of such units on a daily basis.

21. On January 25, 2016, a press release was issued and a material change report was filed on SEDAR by each of the Funds relating to the proposed Restructuring.

22. In the opinion of the Filer, the Restructuring satisfies all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6(1) of NI 81-102 except as follows:

(a) a reasonable person may not consider the investment objectives and fee structure of the Fund and the Reference Fund upon completion of the Restructuring to be substantially similar. Accordingly, the Restructuring will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(a)(ii) of NI 81-102;

(b) the Exemplar U.S. High Yield Fund will not be a reporting issuer in Nunavut. Accordingly, the Restructuring will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(a)(iv) of NI 81-102;

(c) the Restructuring will not be implemented as a "qualifying exchange". Accordingly, the Restructuring will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(b) of NI 81-102. The Filer has determined that it is in the best interest of Unitholders generally to structure the proposed Restructuring on a taxable basis in the manner described herein because virtually all Unitholders have accrued a capital loss in respect of their Fund Units; and

(d) Unitholders of the Fund will not have the opportunity to redeem their Fund Units for proceeds equal to the net asset value per unit between the date of the press release announcing the Restructuring and the effective date of the Restructuring. Accordingly, the Restructuring will not meet the criteria for pre-approved reorganizations and transfers under subsection 5.6(1)(j)(ii) of NI 81-102. The Filer believes that an additional redemption right is not necessary as the Series A units of the Exemplar U.S. High Yield Fund will be redeemable on a daily basis for redemption proceeds per Series A unit equal to the net asset value per Series A unit next calculated and no fees or expenses will be payable by such unitholders in connection with a redemption of units of the Exemplar U.S. High Yield Fund re-designated pursuant to the Restructuring.

23. The Filer believes that the proposed Restructuring will be beneficial to Unitholders for the following reasons:

(a) the early settlement of the Forward Agreement will result in annual savings to the Fund;

(b) the Series A units of the Exemplar U.S. High Yield Fund will be redeemable on a daily basis and for redemption proceeds equal to the net asset value per Series A unit; and

(c) due to the performance of the Fund, the Filer believes that most unitholders have accrued a capital loss in respect of their Fund Units. The proposed Restructuring will result in a deemed disposition of the Fund Units and taxable Unitholders may realize a capital loss (or capital gain) that would otherwise only be realized upon

a sale of the Fund Units to the extent that the proceeds of disposition are less than (or exceed) the Unitholder's adjusted cost base and any reasonable cost of disposition.

Decision

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

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

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

2.2 Orders

2.2.1 Genterra Capital Inc. – s. 1(6) of the OBCA

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
GENTERRA CAPITAL INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of the Applicant to the Ontario Securities Commission (the Commission) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of Common Shares, an unlimited number of Class A Preference Shares and an unlimited number of Class B Preference Shares.

2. The head office of the Applicant is located at 106 Avenue Road, Toronto, Ontario, M5R 2H3.

3. At the close of business on October 25, 2015, there were 8,314,358 Common Shares, 326,000 Class A Preference Shares and 8,703,016 Class B Preference Shares issued and outstanding.

4. Pursuant to a plan of arrangement under the OBCA (the "**Arrangement**") completed on October 26, 2015 between the Applicant and Gencan Capital Inc. ("**Gencan**"), the holders of Common Shares of the Applicant, other than those holders who were, for the purposes of voting on the Arrangement, "interested parties" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") or otherwise required to be excluded for the purposes of a vote on the Arrangement under the requirements of MI 61-101, exchanged the Common Shares of the Applicant held by them for either cash or cash and shares of Gencan.

5. On November 30, 2015, the Applicant redeemed all of the issued and outstanding Class B Preference Shares of the Applicant in accordance with the terms and conditions attaching to such shares. As a result, there are no Class B Preference Shares issued and outstanding.

6. All of the Class A Preference Shares are held by one shareholder.

7. As a result of the Arrangement, Gencan became a public company and the Applicant became wholly-owned, directly and indirectly, by its current control group comprised of its Chairman, Fred A. Litwin, and members of his family.

8. The Common Shares of the Applicant, which traded under the symbol "GIC" on the TSX Venture Exchange, were delisted effective at the close of trading on October 28, 2015.

9. The Applicant has no other outstanding securities, including debt securities, aside from the Common Shares and the Class A Preference Shares.

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

11. The Applicant has no intention to seek a public financing by way of an offering of its securities.

12. Pursuant to British Columbia Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status*, the Applicant voluntarily surrendered its reporting issuer status on January 19, 2016 and the British Columbia Securities Commission confirmed its non-reporting status in British Columbia effective January 29, 2016.

13. Pursuant to a Decision made on February 9, 2016 by the securities regulatory authorities of each of the Provinces of Alberta, Ontario, and Quebec (the "**Jurisdictions**"), the Applicant has ceased to be a reporting issuer in each of the Jurisdictions.

14. The Applicant is not in default of any requirement of securities legislation in any Jurisdiction, except for the obligation to file in the Jurisdictions its annual financial statements and related management's discussion and analysis for the period 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* (collectively, the "**Filings**"), all of which became due on January 29, 2016.

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

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED at Toronto on this 15th day of March, 2016.

"Judith Robertson"
Ontario Securities Commission

"William Furlong"
Ontario Securities Commission

2.2.2 2241153 Ontario Inc. et al. – ss. 127, 127.1

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

AND

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

ORDER
(Sections 127 and 127.1)

WHEREAS

1. On February 10, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in 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, Stoyanka Guerenska, Sophia Nikolov and Evgueni Todorov;

2. On February 11, 2015, the Commission approved a settlement agreement entered into by Staff of the Commission ("Staff") and Singh and 2241153;

3. The Commission conducted the hearing on the merits with respect to the remaining respondents on January 11, 13, 14 and 15, 2016;

4. On February 3, 2016, the Commission issued its Reasons and Decision on the merits making certain findings against the remaining respondents;

5. A hearing on sanctions and costs was held in writing;

6. On February 23, 2016, Staff filed its written submissions on sanctions and costs, the Affidavit of Rita Pascuzzi sworn February 23, 2016, and a Brief of Authorities;

7. None of the respondents made any submissions;

8. On March 15, 2016, the Commission released its reasons and decision on sanctions and costs; and

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

IT IS ORDERED that:

(a) Against Todorov and Setenterprice:

1. pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Todorov and Setenterprice cease permanently;

2. pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Todorov and Setenterprice is prohibited permanently;

3. pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Todorov and Setenterprice permanently;

4. pursuant to paragraph 6 of subsection 127(1), that Todorov be reprimanded;

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

6. pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Todorov be prohibited permanently

from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

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

8. pursuant to paragraph 10 of subsection 127(1), that Todorov and Setenterprice and Nikolov disgorge to the Commission $747,323, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

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

10. pursuant to section 127.1 of the Act, that Todorov and Setenterprice pay $228,496.25, on a joint and several basis, for the costs of the hearing.

(b) Against Banik and Guerenska:

1. pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Banik and Guerenska cease for 6 years;

2. pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Banik and Guerenska cease for 6 years;

3. pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Banik and Guerenska for 6 years;

4. pursuant to paragraph 6 of subsection 127(1), that Banik and Guerenska be reprimanded;

5. pursuant to paragraphs 7, 8.1, and 8.3 of subsection 127(1), that Banik and Guerenska resign any positions they hold as a director or officer of any issuer, registrant, or investment fund manager;

6. pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Banik and Guerenska be prohibited for 6 years from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

7. pursuant to paragraph 8.5 of subsection 127(1), that Banik and Guerenska be prohibited for 6 years from becoming or acting as a registrant, as an investment fund manager, or as a promoter;

8. pursuant to paragraph 10 of subsection 127(1), that Banik disgorge to the Commission $104,700, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

9. pursuant to paragraph 10 of subsection 127(1), that Guerenska disgorge to the Commission $53,568, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

10. pursuant to paragraph 9 of subsection 127(1), that Banik and Guerenska each pay an administrative penalty of $25,000 as a result of their non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

11. pursuant to section 127.1 of the Act, that Guerenska pay $45,000 for the costs of the hearing.

(c) Against Nikolov:

1. pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Nikolov cease for 10 years;

2. pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Nikolov cease for 10 years;

3. pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Nikolov for 10 years;

4. pursuant to paragraph 6 of subsection 127(1), that Nikolov be reprimanded;

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

6. pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Nikolov be prohibited for 10 years from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

7. pursuant to paragraph 8.5 of subsection 127(1), that Nikolov be prohibited for 10 years from becoming or acting as a registrant; as an investment fund manager, or as a promoter;

8. pursuant to paragraph 10 of subsection 127(1), that Todorov and Setenterprice and Nikolov disgorge to the Commission $747,323, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

9. pursuant to paragraph 9 of subsection 127(1), that Nikolov pay an administrative penalty of $25,000 as a result of her non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

10. pursuant to section 127.1 of the Act, that Nikolov pay $15,000 for the costs of the hearing.

DATED at Toronto this 15th day of March, 2016.

"Alan Lenczner"

"Judith Robertson"

"AnneMarie Ryan"

2.2.3 Black Panther Trading Corporation and Charles Robert Goddard – ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c S.5

AND

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

ORDER
(Sections 127 and 127.1)

WHEREAS:

1. on October 24, 2015,

   a. Staff of the Ontario Securities Commission ("Staff") filed a Statement of Allegations, in which Staff sought an order against Charles Robert Goddard ("Goddard") and Black Panther Trading Corporation ("Black Panther") (collectively, the "Respondents") pursuant to subsection 127(1) and section 127.1 of the *Securities Act* (the "Act"); and

   b. the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in respect of that Statement of Allegations, setting a hearing in this matter for November 24, 2015;

2. on November 24, 2015, Staff and the Respondents appeared before the Commission and made submissions and the Commission ordered that:

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

   (b) the proceeding be adjourned to a hearing to be held at the offices of the Commission on March 16, 2016;

   (c) any motions for disclosure by the Respondents be set out in a Notice of Motion filed no later than March 4, 2016, and be heard or scheduled for a subsequent date at the March 16 hearing; and

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

3. on March 16, 2016, Staff and the Respondents appeared before the Commission and made submissions; and

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

IT IS ORDERED that:

1. the Respondents make disclosure of their witness lists and summaries and indicate any intent to call an expert witness, and provide to Staff the name of the expert and state the issue on which the expert will be giving evidence, by April 11, 2016; and

2. this proceeding is adjourned to a hearing to be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on May 11, 2016, at 1:00 p.m. or as soon thereafter as the hearing can be held.

DATED at Toronto, this 16th day of March, 2016.

"Timothy Moseley"

2.2.4 Thomson Reuters Corporation – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 3,000,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and no common shares have been purchased by the selling shareholder for a minimum of 30 days prior to the date of the application seeking the requested relief in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or other security holders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
THOMSON REUTERS CORPORATION

ORDER

(Clause 104(2)(c))

UPON the application (the **"Application"**) of Thomson Reuters Corporation (the **"Issuer"**) to the Ontario Securities Commission (the **"Commission"**) for an order of the Commission pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the **"Act"**) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the **"Issuer Bid Requirements"**) in respect of the proposed purchases by the Issuer of up to 3,000,000 (the **"Subject Shares"**) of the Issuer's common shares in one or more trades with Royal Bank of Canada (the **"Selling Shareholder"**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).

2. The head office of the Issuer is located at 3 Times Square, New York, New York 10036 and its registered office is located at 333 Bay Street, Suite 400, Toronto, Ontario M5H 2R2.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the common shares of the Issuer (the "**Common Shares"**) are listed for trading on the Toronto Stock Exchange (the **"TSX"**) and the New York Stock Exchange (the **"NYSE"**) under the symbol "TRI". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Issuer's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of preference shares, issuable in series, and one Thomson Reuters Founders Share, of which 757,716,096 Common Shares, 6,000,000 series II preference shares and one Thomson Reuters Founders Share were issued and outstanding as of March 4, 2016.

5. The corporate headquarters of the Selling Shareholder is located in Toronto, Ontario.

6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 3,000,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

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

9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after February 7, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.

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

11. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX, dated May 22, 2015 (as amended on February 11, 2016 to increase the maximum number of Common Shares that may be repurchased thereunder by an additional 9,200,000 Common Shares) (the **"Notice"**), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the **"Normal Course Issuer Bid"**) during the 12-month period beginning on May 28, 2015 and ending on May 27, 2016 to a maximum of 39,200,000 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX, the NYSE and/or other exchanges and alternative trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE or under applicable law by a registered investment dealer (or an affiliate of the dealer) in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **"TSX NCIB Rules"**), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **"Off-Exchange Block Purchase"**). The TSX has been notified of the Proposed Purchases (as defined below) and has confirmed that it has no objections to the Proposed Purchases.

12. The Issuer intends to enter into one or more agreements of purchase and sale (each, an **"Agreement"**) with the Selling Shareholder, pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases, each occurring by May 27, 2016 (each such purchase, a **"Proposed Purchase"**) for a purchase price (each such price, a "Purchase Price" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.

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

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

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a **"Block Purchase"**) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

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

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

19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

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

21. To the best of the Issuer's knowledge, as of March 4, 2016, the "public float" for the Common Shares represented approximately 40.4% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

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

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

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

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

26. The Commission granted three orders on August 25, 2015 pursuant to clause 104(2)(c) of the Act exempting the Issuer from the Issuer Bid Requirements in connection with proposed purchases by the Issuer pursuant to private agreements of up to 4,120,000 Common Shares from Royal Bank of Canada (the **"RBC Order"**), 2,800,000 Common Shares from The Toronto-Dominion Bank (the **"TD Order"**) and 3,080,000 Common Shares from Bank of Montreal and/or BMO Nesbitt Burns Inc. (the **"BMO Order"** and together with the RBC Order and the TD Order, the **"Existing Orders"**). As of March 4, 2016, the Issuer has acquired a total of 28,639,900 Common Shares pursuant to the Normal Course Issuer Bid, including 4,120,000 Common Shares under the RBC Order, 2,800,000 Common Shares under the TD Order and 3,080,000 Common Shares under the BMO Order.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 13,066,666 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and Common Shares which are the subject of the Existing Orders.

28. The Issuer has established a form of automatic share repurchase plan (the **"Plan"**) that would permit the Issuer to make purchases under its Normal Course Issuer Bid during internal trading blackout periods, including regularly scheduled quarterly blackout periods, when the Issuer would not otherwise be permitted to trade in its Common Shares (each such time, a **"Blackout Period"**). No Plan is in place as of the date of this Order, but the Issuer intends to enter into a Plan prior to the commencement of the Issuer's next scheduled quarterly blackout period which is expected to occur prior to all of the Subject Shares being purchased by the Issuer. The form of Plan was approved by the TSX and is in compliance with the TSX NCIB Rules, applicable securities laws and this Order. The terms of the Plan provide that, at times when it is not subject to blackout restrictions, the Issuer may, but will not be required to, instruct its designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the Plan. Such purchases under the Plan will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any Blackout Period in accordance with the TSX NCIB Rules, applicable securities laws (including this Order) and the terms of the agreement between the designated broker and the Issuer. When the

Issuer implements a Plan prior to completing the Proposed Purchases, the Issuer will ensure that the Plan contains provisions restricting the Issuer from conducting any Block Purchases during any calendar week in which the Issuer completes a Proposed Purchase.

29. The Issuer will not purchase Subject Shares, under the Plan or otherwise, pursuant to the Proposed Purchases during designated Blackout Periods administered in accordance with the Issuer's corporate policies and no Agreement will be negotiated or entered into during a Blackout Period.

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 3,000,000 Common Shares, and the maximum number of Common Shares that are the subject of the Existing Orders, being 10,000,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 13,000,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 33.2% of the maximum of 39,200,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

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

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

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

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

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX and, subject to condition (i) below, by Off-Exchange Block Purchases;

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

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

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

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

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 13,066,666 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise

accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 18th day of March, 2016.

"Edwin P. Kerwin"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

2.2.5 Loblaw Companies Limited – s. 104(2)(c)

Headnote

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 2,045,000 of its common shares from two of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholders did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and no common shares have been purchased by either of them for a minimum of 30 days prior to the date of the application seeking the requested relief in anticipation or contemplation of a sale of common shares by either of them to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or other security holders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from each selling shareholder that between the date of the order and the date on which the proposed purchase is completed, neither selling shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its, or the other selling shareholder's, holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

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

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

AND

IN THE MATTER OF
LOBLAW COMPANIES LIMITED

ORDER

(Clause 104(2)(c))

UPON the application (the **"Application"**) of Loblaw Companies Limited (the **"Issuer"**) to the Ontario Securities Commission (the **"Commission"**) for an order of the Commission pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the **"Act"**) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the **"Issuer Bid Requirements"**) in respect of the proposed purchases by the Issuer of up to 2,045,000 of the Issuer's common shares (collectively, the **"Subject Shares"**) in one or more trades with Bank of Montreal and/or BMO Nesbitt Burns Inc. (each, a **"Selling Shareholder"** and together, the **"Selling Shareholders"**);

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

AND UPON the Issuer (and each Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 10, 12, 23 and 24 as they relate to such Selling Shareholder) having represented to the Commission that:

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

2. The registered office of the Issuer is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7 and its national head office is located at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the **"Common Shares"**) are listed for trading on the Toronto Stock Exchange (the **"TSX"**) under the symbol "L". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Issuer's authorized share capital consists of an unlimited number of Common Shares, 1,000,000 First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series, of which 410,138,499 Common Shares, no First Preferred Shares and 9,000,000 Second Preferred Shares, Series B were issued and outstanding as of February 9, 2016.

5. The corporate headquarters of each Selling Shareholder is located in the Province of Ontario. The Selling Shareholders are affiliates of each other.

6. Neither Selling Shareholder, directly or indirectly, owns more than 5% of the issued and outstanding Common Shares.

7. The Bank of Montreal is the beneficial owner of at least 370,000 Common Shares and BMO Nesbitt Burns Inc. is the beneficial owner of at least 1,675,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, either of the Selling Shareholders in anticipation or contemplation of resale by either of them to the Issuer.

8. The Subject Shares are held by the Selling Shareholders in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, neither Selling Shareholder will purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of the Subject Shares pursuant to the Proposed Purchases.

9. No Common Shares were purchased by, or on behalf of, either of the Selling Shareholders on or after January 19, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by either of the Selling Shareholders to the Issuer.

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

11. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX, dated April 23, 2015 (the **"Notice"**), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the **"Normal Course Issuer Bid"**) during the 12-month period beginning on April 28, 2015 and ending on April 27, 2016 to a maximum of 21,931,288 Common Shares, representing approximately 10% of the public float, calculated in accordance with the rules of the TSX, as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX or through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the **"TSX NCIB Rules"**), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **"Off-Exchange Block Purchase"**). The TSX has (a) indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid, and (b) reviewed the Application and has confirmed that it does not object to the Proposed Purchases.

12. The Issuer intends to enter into one or more agreements of purchase and sale with each Selling Shareholder (each, an **"Agreement"**), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the applicable Selling Shareholder by way of one or more purchases, each occurring before April 27, 2016 (each such purchase, a **"Proposed Purchase"**) for a purchase price (each such price, a **"Purchase Price"** in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the applicable Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.

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

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

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from either Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a **"Block Purchase"**) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

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

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

19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

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

21. To the best of the Issuer's knowledge, as of February 9, 2016, the "public float" for the Common Shares represented approximately 53% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

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

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

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

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from each Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The Commission granted the Issuer two orders on November 20, 2015 pursuant to clause 104(2)(c) of the Act exempting the Issuer from the Issuer Bid Requirements in connection with purchases by the Issuer pursuant to private agreements of up to 1,700,000 Common Shares from The Bank of Nova Scotia (the **"BNS Order"**) and 2,937,000 Common Shares from Canadian Imperial Bank of Commerce (the **"CIBC Order"** and together with the BNS Order, the **"Existing Orders"**). As of March 1, 2016, the Issuer has acquired 4,882,230 Common Shares pursuant to the Normal Course Issuer Bid, including 1,700,000 Common Shares under the BNS Order and 1,220,000 Common Shares under the CIBC Order.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 7,310,429 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Existing Orders.

28. In accordance with the Notice, the Issuer may implement an automatic share repurchase plan (a **"Plan"**) that would permit the Issuer to make purchases under its Normal Course Issuer Bid during internal trading blackout periods, including regularly scheduled quarterly blackout periods, when the Issuer would not otherwise be permitted to trade in its Common Shares (each such time, a **"Blackout Period"**). There is no Plan in place as of the date of this Order. The form of any Plan will be preapproved by the TSX and comply with the TSX NCIB Rules, applicable securities laws and this Order. If the Issuer implements a Plan, the terms of such Plan will provide that, at times it is not subject to blackout restrictions, the Issuer may, but will not be required to, instruct its designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the Plan. Such purchases under the Plan will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any Blackout Period in accordance with the TSX NCIB Rules, applicable securities laws (including this Order) and the terms of the agreement between the designated broker and the Issuer. In the event the Issuer implements a Plan prior to

completing the Proposed Purchases, the Issuer will ensure that such Plan contains provisions restricting the Issuer from conducting any Block Purchases during any calendar week in which the Issuer completes a Proposed Purchase.

29. The Issuer will not purchase Subject Shares, under a Plan or otherwise, pursuant to the Proposed Purchases during designated Blackout Periods administered in accordance with the Issuer's corporate policies and no Agreement will be negotiated or entered into during a Blackout Period.

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 2,045,000 Common Shares, and the maximum number of Common Shares that are the subject of the Existing Orders, being 4,637,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 6,682,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 30% of the maximum of 21,931,288 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

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

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

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

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

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, and, subject to condition (i) below, by Off-Exchange Block Purchases;

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

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

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

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

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 7,310,429 Common Shares; and

(j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from each Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, neither Selling Shareholder has purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its, or the other Selling Shareholder's, holdings of Common

Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

DATED at Toronto this 4th day of March, 2016.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"William J. Furlong"
Commissioner
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Julius Caesar Phillip Vitug – ss. 127, 127.1

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

AND

IN THE MATTER OF
JULIUS CAESAR PHILLIP VITUG

AND

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

AND

JULIUS CAESAR PHILLIP VITUG

ORDER
(Subsection 127(1) and Section 127.1)

WHEREAS:

1. On March 14, 2016, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5 (the "Act") to consider whether it is in the public interest to make an order, as specified therein, against Julius Caesar Phillip Vitug (the "Respondent"). The Notice of Hearing was issued in connection with the Statement of Allegations of Staff of the Commission ("Staff") dated March 14, 2016;

2. The Respondent entered into a Settlement Agreement with Staff dated March 11, 2016 (the "Settlement Agreement") in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 14, 2016, subject to the approval of the Commission;

3. The Notice of Hearing announced that it proposes to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondent;

4. The Commission reviewed the Settlement Agreement, the Notice of Hearing, the Statement of Allegations of Staff, and heard submissions from counsel for the Respondent and from Staff;

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

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement is hereby approved;

2. pursuant to paragraph 2 of subsection 127 (1) of the Act, any direct or indirect trading in any securities or derivatives by the Respondent shall cease for a period of 10 years except that the Respondent shall be permitted to trade securities or derivatives in the following accounts as defined under the *Income Tax Act* (Canada):

   i. registered retirement savings plan accounts and/or;

   ii. registered pension plan and/or;

   iii. self-directed retirement savings plan and/or;

   iv. tax free savings accounts and/or;

v. registered retirement income fund and/or;

vi. registered education savings plan and/or;

vii. personal trading accounts

in which he or his children have sole legal and/or beneficial ownership. All trading shall be carried out solely through a registered dealer in Ontario to whom the Respondent must have given a copy of the Order;

3. pursuant to paragraph 2.1 of subsection 127(1) of the Act, any direct or indirect acquisition of any securities or derivatives by the Respondent shall cease for a period of 10 years except that the Respondent shall be permitted to acquire securities or derivatives in the following accounts as defined under the *Income Tax Act* (Canada):

i. registered retirement savings plan accounts and/or;

ii. registered pension plan and/or;

iii. self-directed retirement savings plan and/or;

iv. tax free savings accounts and/or;

v. registered retirement income fund and/or;

vi. registered education savings plan and/or;

vii. personal trading accounts

in which he or his children have sole legal and/or beneficial ownership. All acquisitions shall be carried out solely through a registered dealer in Ontario to whom the Respondent must have given a copy of the Order;

4. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 10 years except to allow for trading or acquisitions permitted by and in accordance with paragraphs 2 and 3 of this Order;

5. pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent is reprimanded;

6. pursuant to paragraph 7 of subsection 127(1) of the Act, the Respondent shall resign immediately from any position he may hold as a director or officer of any issuer where there are more than 5 direct or indirect beneficial holders of the securities of the issuer;

7. pursuant to paragraphs 8.1 and 8.3 of subsection 127(1) of the Act, the Respondent shall resign immediately from any position he may hold as a director or an officer of any registrant, or investment fund manager;

8. pursuant to paragraph 8 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a director or an officer of any issuer where there are more than 5 direct or indirect beneficial holders of the securities of the issuer;

9. pursuant to paragraphs 8.2 and 8.4 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a director or an officer of any registrant or investment fund manager;

10. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a registrant, as an investment fund manager or as a promoter;

11. pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent shall pay an administrative penalty of $220,000 to the Commission for his failure to comply with Ontario securities law, which amount shall be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

12. pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondent shall disgorge to the Commission the sum of $114,369, obtained as a result of non-compliance with Ontario securities law, which amount shall be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

13. pursuant to subsections 127.1(1) and (2) of the Act, the Respondent shall pay the amount of $15,631 in respect of part of the costs of the Commission's investigation and hearing.

DATED at Toronto, this 16th day of March, 2016.

Timothy Moseley"

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

AND

IN THE MATTER OF
JULIUS CAESAR PHILLIP VITUG

AND

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

AND

JULIUS CAESAR PHILLIP VITUG

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing dated March 14, 2016 the Ontario Securities Commission (the "Commission") announced that it proposes to hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5 (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Julius Caesar Phillip Vitug (the “Respondent”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 14, 2016 (the “Proceeding”) against the Respondent in accordance with the terms and conditions set out in Part V of this Settlement Agreement (“the Settlement Agreement”). The Respondent consents to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

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

PART III – AGREED FACTS

A. The Respondent

4. The Respondent is a resident of Toronto, Ontario and was registered with the Commission in various categories from 1991 to 2010, including: Salesperson for a Mutual Fund Dealer and Limited Market Dealer; and Salesperson, Dealing Representative and Trading Officer for an Investment Dealer.

5. He was also an approved person with the Investment Industry Regulatory Organization of Canada (“IIROC”) and its predecessor in various categories, including Registered Representative, Portfolio Management, Trading Officer and Branch Manager, between approximately 1996 and 2010.

B. Findings & Penalties of the Investment Industry Regulatory Organization of Canada

6. In a decision dated March 31, 2009, following a hearing by an IIROC panel, IIROC found that the Respondent had an undisclosed financial interest and undisclosed financial dealings in certain client accounts in or about 2003 to 2005. Consequently, IIROC found that the Respondent engaged in business conduct or practice which was unbecoming or detrimental to the public interest in violation of IIROC By-laws.

7. The penalties imposed by IIROC comprised of a permanent ban on the Respondent being approved in any registration category under IIROC’s rules and a fine of $350,000. He was also ordered to pay costs to IIROC of $80,000.

8. The penalties arising from the IIROC Decision became effective on August 12, 2010 following an unsuccessful application and appeal by the Respondent to overturn the IIROC decision.

C. Business of Trading

9. From 2011 to 2014 (the "Material Time"), the Respondent engaged in the business of trading in the securities of Iskander Energy Corp. ("Iskander"). Iskander is an Alberta Corporation.

10. During the Material Time, the Respondent was introduced to the deal whereby he purchased securities on his own behalf and facilitated the trades of approximately 40 Ontario investors.

11. The total amount raised from investors during the Material Time was approximately $10 million. The Respondent served as a liaison between the issuer and the investors and in this manner facilitated the trades. He also introduced certain of the investors to the investment.

12. In relation to these trades, the Respondent received compensation and directed compensation to three corporations ("Corporations"), of which he was a beneficial owner or in which he was a partner. Such compensation consisted of over $114,000 paid by cheque(s) and securities during the Material Time.

13. These Corporations were:

    (a) Dardan Bancorp Inc. ("Dardan"), which was incorporated in Ontario on November 4, 2010. The Respondent is the president and director of Dardan.

    (b) 1082824 Ontario Inc. ("1082824 Ontario"), which was incorporated in Ontario on May 27, 1994. The Respondent was the director of 1082824 Ontario. On January 1, 2014, 1082824 Ontario amalgamated with Dardan and they continue under the Dardan name.

    (c) Toronto Tree Top Holdings Ltd. ("Toronto Tree Top"), which was incorporated in Ontario on March 25, 2011. The Respondent is a director and treasurer and owns 50% of the shares of Toronto Tree Top. The other 50% of the shares is owned by SY ("SY"). The Respondent assists SY with many of his businesses and investments, including facilitating trades for Toronto Tree Top using the funds supplied by SY.

D. Other Considerations

14. The Respondent has cooperated with Staff throughout the investigation and in concluding the Settlement Agreement.

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

15. The Respondent acknowledges and admits that, during the Material Time, contrary to subsection 25(1) of the Act, he engaged in or held himself out as engaging in the business of trading, as described above, without being registered to do so and in circumstances in which there was no exemption under Ontario securities law from the requirement to comply with subsection 25(1) of the Act.

16. The Respondent acknowledges and admits that he acted contrary to the public interest by contravening Ontario securities law as set out in paragraph 15 above.

PART V – TERMS OF SETTLEMENT

17. The Respondent agrees to the terms of settlement listed below and to the Order attached hereto, made pursuant to subsection 127(1) and section 127.1 of the Act that:

    (a) this Settlement Agreement shall be approved;

    (b) pursuant to paragraph 2 of subsection 127 (1) of the Act, any direct or indirect trading in any securities or derivatives by the Respondent shall cease for a period of 10 years except that the Respondent shall be permitted to trade securities or derivatives in the following accounts as defined under the *Income Tax Act* (Canada):

        i. registered retirement savings plan accounts and/or;

        ii. registered pension plan and/or;

        iii. self-directed retirement savings plan and/or;

        iv. tax free savings accounts and/or;
        v. registered retirement income fund and/or;

vi. registered education savings plan and/or;

vii. personal trading accounts

in which he or his children have sole legal and/or beneficial ownership. All trading shall be carried out solely through a registered dealer in Ontario to whom the Respondent must have given a copy of the Order;

(c) pursuant to paragraph 2.1 of subsection 127(1) of the Act, any direct or indirect acquisition of any securities or derivatives by the Respondent shall cease for a period of 10 years except that the Respondent shall be permitted to acquire securities or derivatives in the following accounts as defined under the *Income Tax Act* (Canada):

i. registered retirement savings plan accounts and/or;

ii. registered pension plan and/or;

iii. self-directed retirement savings plan and/or;

iv. tax free savings accounts and/or;

v. registered retirement income fund and/or;

vi. registered education savings plan and/or;

vii. personal trading accounts

in which he or his children have sole legal and/or beneficial ownership. All acquisitions shall be carried out solely through a registered dealer in Ontario to whom the Respondent must have given a copy of the Order;

(d) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 10 years except to allow for trading or acquisitions permitted by and in accordance with paragraphs 17(b) and 17(c) of this agreement;

(e) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent is reprimanded;

(f) pursuant to paragraph 7 of subsection 127(1) of the Act, the Respondent shall resign immediately from any position he may hold as a director or officer of any issuer where there are more than 5 direct or indirect beneficial holders of the securities of the issuer;

(g) pursuant to paragraphs 8.1 and 8.3 of subsection 127(1) of the Act, the Respondent shall resign immediately from any position he may hold as a director or an officer of any registrant or investment fund manager;

(h) pursuant to paragraph 8 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a director or an officer of any issuer where there are more than 5 direct or indirect beneficial holders of the securities of the issuer;

(i) pursuant to paragraphs 8.2 and 8.4 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a director or an officer of any registrant or investment fund manager;

(j) pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(k) pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent shall pay an administrative penalty of $220,000 to the Commission for his failure to comply with Ontario securities law, which amount shall be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

(l) pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondent shall disgorge to the Commission the sum of $114,369, obtained as a result of non-compliance with Ontario securities law, which amount shall be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

(m) pursuant to subsections 127.1(1) and (2) of the Act, the Respondent shall pay the amount of $15,631 in respect of part of the costs of the Commission's investigation and hearing.

18. The Respondent undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory

authority in Canada containing any or all of the terms of settlement set out in sub-paragraphs 17(b) to 17(j) above. These terms of settlement may be modified to reflect the provisions of the relevant provincial or territorial securities law.

19. The Respondent will attend in person at the hearing before the Commission to consider the proposed settlement.

PART VI – STAFF COMMITMENT

20. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 21 below.

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

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

22. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for March 16, 2016, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 OSCB 4168.

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

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

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

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

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

28. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. Any obligations of confidentiality shall terminate upon the commencement of the public settlement hearing. If, for whatever reason, the Commission does not approve the Settlement Agreement, the terms of the Settlement Agreement remain confidential indefinitely, unless Staff and the Respondent otherwise agree or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

29. This Settlement Agreement may be signed in one or more counterparts which, together, constitute a binding agreement.
30. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated at Toronto this 14th day of March, 2016.

"Julius Caesar Phillip Vitug"
Julius Caesar Phillip Vitug

"Greg Temelini"
Greg Temelini
Wright Temelini LLP
Witness

"*Kelly Gorman*
per Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch
Ontario Securities Commission

Schedule "A"

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

AND

IN THE MATTER OF
JULIUS CAESAR PHILLIP VITUG

AND

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

AND

JULIUS CAESAR PHILLIP VITUG

ORDER
(Subsection 127(1) and Section 127.1)

WHEREAS:

1. On March 14, 2016, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5 (the "Act") to consider whether it is in the public interest to make an order, as specified therein, against Julius Caesar Phillip Vitug (the "Respondent"). The Notice of Hearing was issued in connection with the Statement of Allegations of Staff of the Commission ("Staff") dated March 14, 2016;

2. The Respondent entered into a Settlement Agreement with Staff dated March 11, 2016 (the "Settlement Agreement") in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 14, 2016, subject to the approval of the Commission;

3. The Notice of Hearing announced that it proposes to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondent;

4. The Commission reviewed the Settlement Agreement, the Notice of Hearing, the Statement of Allegations of Staff, and heard submissions from counsel for the Respondent and from Staff;

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

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement is hereby approved;

2. pursuant to paragraph 2 of subsection 127 (1) of the Act, any direct or indirect trading in any securities or derivatives by the Respondent shall cease for a period of 10 years except that the Respondent shall be permitted to trade securities or derivatives in the following accounts as defined under the *Income Tax Act* (Canada):

    i. registered retirement savings plan accounts and/or;

    ii. registered pension plan and/or;

    iii. self-directed retirement savings plan and/or;

    iv. tax free savings accounts and/or;

    v. registered retirement income fund and/or;

    vi. registered education savings plan and/or;
    vii. personal trading accounts

in which he or his children have sole legal and/or beneficial ownership. All trading shall be carried out solely through a registered dealer in Ontario to whom the Respondent must have given a copy of the Order;

3. pursuant to paragraph 2.1 of subsection 127(1) of the Act, any direct or indirect acquisition of any securities or derivatives by the Respondent shall cease for a period of 10 years except that the Respondent shall be permitted to acquire securities or derivatives in the following accounts as defined under the *Income Tax Act* (Canada):

    i. registered retirement savings plan accounts and/or;

    ii. registered pension plan and/or;

    iii. self-directed retirement savings plan and/or;

    iv. tax free savings accounts and/or;

    v. registered retirement income fund and/or;

    vi. registered education savings plan and/or;

    vii. personal trading accounts

in which he or his children have sole legal and/or beneficial ownership. All acquisitions shall be carried out solely through a registered dealer in Ontario to whom the Respondent must have given a copy of the Order;

4. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of 10 years except to allow for trading or acquisitions permitted by and in accordance with paragraphs 2 and 3 of this Order;

5. pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent is reprimanded;

6. pursuant to paragraph 7 of subsection 127(1) of the Act, the Respondent shall resign immediately from any position he may hold as a director or officer of any issuer where there are more than 5 direct or indirect beneficial holders of the securities of the issuer;

7. pursuant to paragraphs 8.1 and 8.3 of subsection 127(1) of the Act, the Respondent shall resign immediately from any position he may hold as a director or an officer of any registrant, or investment fund manager;

8. pursuant to paragraph 8 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a director or an officer of any issuer where there are more than 5 direct or indirect beneficial holders of the securities of the issuer;

9. pursuant to paragraphs 8.2 and 8.4 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a director or an officer of any registrant or investment fund manager;

10. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondent is prohibited, for a period of 10 years, from becoming or acting as a registrant, as an investment fund manager or as a promoter;

11. pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent shall pay an administrative penalty of $220,000 to the Commission for his failure to comply with Ontario securities law, which amount shall be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

12. pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondent shall disgorge to the Commission the sum of $114,369, obtained as a result of non-compliance with Ontario securities law, which amount shall be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

13. pursuant to subsections 127.1(1) and (2) of the Act, the Respondent shall pay the amount of $15,631 in respect of part of the costs of the Commission's investigation and hearing.

DATED at Toronto, this ____ day of March, 2016.

_____

2.4 Rulings

2.4.1 Goldman, Sachs & Co. – s. 38 of the CFA

Headnote

Application to the Commission pursuant to section 38 of the Commodity Futures Act (Ontario) (CFA) for a ruling that the Applicant be exempted from the dealer registration requirement in paragraph 22(1)(a) and the prohibition against trading on non-recognized exchanges in section 33 of the CFA. Applicant will offer the ability to trade in commodity futures contracts and commodity futures options that trade on exchanges located outside Canada and cleared through clearing corporations located outside of Canada to certain of its clients in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, subject to terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22, 33, 38.
Securities Act, R.S.O. 1990, c. S.5, as am.

Instrument Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.18.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
GOLDMAN, SACHS & CO.

RULING & EXEMPTION
(Section 38 of the CFA)

UPON the application (the **Application**) of Goldman, Sachs & Co. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for:

(a) a ruling of the Commission, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirements in the CFA (as defined below) or the trading restrictions in the CFA (as defined below) in connection with trades in Exchange-Traded Futures (as defined below) on exchanges located outside Canada (**Non-Canadian Exchanges**) where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients (as defined below); and

(b) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of the trades in Exchange-Traded Futures on behalf of the Permitted Client pursuant to the above ruling.

AND WHEREAS for the purposes of this ruling and exemption (collectively, the **Decision**):

(i)

"CEA" means the United States Commodity Exchange Act;

"CFTC" means the United States Commodity Futures Trading Commission;

"dealer registration requirements in the CFA" means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;

"Exchange Act" means the United States Securities Exchange Act of 1934;

"Exchange-Traded Futures" means a commodity futures contract or a commodity futures option that trades on one or more organized exchanges located outside of Canada and that is cleared through one or more

clearing corporations located outside of Canada;

"FINRA" means the Financial Industry Regulatory Authority in the United States;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"NFA" means the National Futures Association in the United States;

"Permitted Client" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103;

"SEC" means the United States Securities and Exchange Commission;

"specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;

"trading restrictions in the CFA" means the provisions of section 33 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 33 of the CFA; and

(ii) terms used in this Decision that are defined in the Securities Act (Ontario) (OSA), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

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

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

1. The Applicant is a limited partnership formed under the laws of the State of New York having its head office located at 200 West Street, New York, NY 10282, United States.

2. The Applicant provides futures commission merchant (**FCM**) services. FCM services include commodity clearing and execution services to various institutional customers, including affiliates of the Applicant.

3. The Applicant is an indirect, wholly-owned subsidiary of The Goldman Sachs Group, Inc. (**GS Group**). GS Group is a bank holding company under the United States Bank Holding Company Act of 1956 (**BHC Act**) and financial holding company under amendments to the BHC Act.

4. Goldman Sachs Canada Inc. (**GS Canada**) is an affiliate of the Applicant. GS Canada is registered as an investment dealer in each of the provinces of Canada and is a dealer member of the Investment Industry Regulatory Organization of Canada. GS Canada is not currently, but may in the future become, registered as an FCM under the CFA. GS Canada does not currently act as a broker with respect to trades in Exchange-Traded Futures.

5. The Applicant relies on the international dealer exemption in section 8.18 of NI 31-103 in Ontario and therefore is not registered under the OSA.

6. The Applicant obtained relief from the Director on February 10, 2008 exempting the Applicant and its salespersons, directors, officers and employees from section 3.1 of OSC Rule 91-502 *Trades in Recognized Options*.

7. The Applicant is a broker-dealer registered with the SEC, a member of FINRA, a FCM registered with the CFTC and a member of the NFA.

8. The Applicant is a direct member of all major U.S. commodity futures exchanges and is a foreign approved participant of the Montréal Exchange.

9. Pursuant to its registrations and memberships, the Applicant is authorized to handle customer orders and receive and hold customer margin deposits, and otherwise act as a futures broker, in the United States. Rules of the CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, and comply with other forms of customer protection rules, including rules respecting: know-your-customer obligations, account-opening requirements, anti-money laundering checks, credit checks, delivery of confirmation statements, clearing deposits and initial and maintenance margins. These rules require the Applicant to treat Permitted Clients consistently with the Applicant's U.S. customers with respect to transactions made on U.S. exchanges. With respect to transactions made on U.S. exchanges, in order to protect customers in the

event of the insolvency or financial instability of the Applicant, the Applicant is required to ensure that customer securities and monies be separately accounted for, segregated at all times from the securities and monies of the Applicant and custodied exclusively with such banks, trust companies, clearing organizations or other licensed futures brokers and intermediaries as may be approved for such purposes under the CEA and the rules promulgated by the CFTC thereunder (collectively, the **GS Approved Depositories**). The Applicant is further required to obtain acknowledgements from any GS Approved Depository holding customer funds or securities related to U.S.-based transactions or accounts that such funds and securities are to be separately held on behalf of such customers, with no right of set-off against the Applicant's obligations or debts.

10. The Applicant proposes to offer certain of its Permitted Clients in Ontario the ability to trade in Exchange-Traded Futures through the Applicant.

11. The Applicant will execute and clear trades in Exchange-Traded Futures on behalf of Permitted Clients in Ontario in the same manner that it executes and clears trades on behalf of its U.S. clients, all of which are "Eligible Contract Participants" as defined in the CEA. The Applicant will follow the same know-your-customer and segregation of assets procedures that it follows in respect of its U.S. clients. Permitted Clients will be afforded the benefits of compliance by the Applicant with the requirements of the CEA and the regulations thereunder, and the Exchange Act and the regulations thereunder. Permitted Clients in Ontario will have the same contractual rights against the Applicant as U.S. clients of the Applicant.

12. The Applicant will not maintain an office, sales force or physical place of business in Ontario.

13. The Applicant will solicit trades in Exchange-Traded Futures in Ontario only from persons who qualify as Permitted Clients.

14. Permitted Clients of the Applicant will only be offered the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.

15. The Exchange-Traded Futures to be traded by Permitted Clients will include, but will not be limited to, Exchange-Traded Futures for equity index, interest rate, energy, currency, bond, agricultural and other commodity products.

16. Permitted Clients of the Applicant will be able to execute Exchange-Traded Futures orders through the Applicant by contacting the Applicant's global execution desk or by submitting orders electronically via the Applicant’s proprietary electronic order routing system. Permitted Clients may also be able to self-execute Exchange-Traded Futures orders electronically via an independent service vendor and/or other electronic trading routing. Permitted Clients may also be able to execute Exchange-Traded Futures orders through third party brokers and then "give up" the transaction for clearance through the Applicant.

17. The Applicant may execute a Permitted Client's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. The Applicant will remain responsible for all executions when the Applicant is listed as the executing broker of record on the relevant Non-Canadian Exchange.

18. The Applicant may perform both execution and clearing functions for trades in Exchange-Traded Futures or may direct that a trade executed by it be cleared through a carrying broker if the Applicant is not a clearing member of the Non-Canadian Exchange on which the trade is executed. Alternatively, the Permitted Client of the Applicant will be able to direct that trades executed by the Applicant be cleared through clearing brokers not affiliated with the Applicant (each a **Non-GS Clearing Broker**).

19. If the Applicant performs only the execution of a Permitted Client's Exchange-Traded Futures order and "gives-up" the transaction for clearance to a Non-GS Clearing Broker, such clearing broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under the CFA as applicable. Each such Non-GS Clearing Broker will represent to the Applicant, in an industry-standard give-up agreement, that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's Exchange-Traded Futures order will be executed and cleared. The Applicant will not enter into a give-up agreement with any Non-GS Clearing Broker located in the United States unless such clearing broker is registered with the CFTC.

20. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client orders that are submitted to the exchange in the name of the Non-GS Clearing Broker or the Applicant or, on exchanges where the Applicant is not a member, in the name of another carrying broker. The Permitted Client of the Applicant is responsible to the Applicant for payment of daily mark-to-market variation margin

and/or proper margin to carry open positions and the Applicant, the carrying broker or the Non-GS Clearing Broker is in turn responsible to the clearing corporation/division for payment.

21. Permitted Clients that direct the Applicant to give-up transactions in Exchange-Traded Futures for clearance and settlement by Non-GS Clearing Brokers will execute the give-up agreements described above.

22. Permitted Clients will pay commissions for trades to the Applicant or the Non-GS Clearing Broker, or such commissions may be shared by the Applicant with the Non-GS Clearing Broker.

23. The trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.

24. If the Applicant were registered under the CFA as a "futures commission merchant", it could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.

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

IT IS RULED pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirement set out in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients provided that:

(a) each client effecting trades in Exchange-Traded Futures is a Permitted Client;

(b) any Non-GS Clearing Broker has represented and covenanted to the Applicant that it is or will be appropriately registered or exempt from registration under the CFA;

(c) the Applicant only executes and clears trades in Exchange-Traded Futures for Permitted Clients on Non-Canadian Exchanges;

(d) at the time trading activity is engaged in, the Applicant:

(i) has its head office or principal place of business in the United States;

(ii) is registered as a FCM with the CFTC in good standing;

(iii) is a member in good standing with the NFA; and

(iv) engages in the business of a FCM in Exchange-Traded Futures in the United States.

(e) the Applicant has provided to the Permitted Client the following disclosure in writing:

(i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures;

(ii) a statement that the Applicant’s head office or principal place of business is located in New York, New York, United States of America;

(iii) a statement that all or substantially all of the Applicant’s assets may be situated outside of Canada;

(iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and

(v) the name and address of the Applicant’s agent for service of process in Ontario;

(f) the Applicant has submitted to the Commission a completed Submission to Jurisdiction and Appointment of Agent for Service in the form attached as Appendix “A” hereto;

(g) the Applicant notifies the Commission of any regulatory action initiated after the date of this ruling in respect of the Applicant, or any predecessors or specified affiliates of the Applicant, by completing and filing with the Commission Appendix "B" hereto within ten days of the commencement of such action; provided that this condition shall not be required to be satisfied for so long as GS Canada remains an investment dealer in good standing under Ontario securities laws;

(h) if the Applicant does not rely on the international dealer exemption in section 8.18 of NI 31-103 (the IDE), by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 Fees as if the Applicant relied on the IDE;

(i) this Decision will terminate on the earliest of:

(i) such transition period as provided by operation of law, after the effective date of the repeal of the CFA;

(ii) six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Ontario commodity futures law or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and

(iii) five years after the date of this Decision.

AND IT IS FURTHER RULED, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant acts in connection with trades in Exchange-Traded Futures on behalf of the Permitted Clients pursuant to the above ruling.

Date: March 8, 2016

“Sarah B. Kavanagh”
Commissioner
Ontario Securities Commission

“Janet Leiper”
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT (ONTARIO)

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

Name:

E-mail address:

Phone:

Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

   ☐ Section 8.18 [international dealer]

   ☐ Section 8.26 [international adviser]

   ☐ Other [specify]:

7. Name of agent for service of process (the "**Agent for Service**"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    (a) a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    (b) an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service; and

    (c) a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with

the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings.

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

	Yes	No
(a) Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?		
(b) Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?		
(c) Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?		
(d) Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?		
(e) Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?		
(f) Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?		
(g) Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?		

If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

[1] In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm:
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

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https://www.osc.gov.on.ca/filings

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 2241153 Ontario Inc. et al. – ss. 127, 127.1

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

AND

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

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

Hearing:	In writing		
Decision:	March 15, 2016		
Panel:	Alan J. Lenczner	–	Commissioner and Chair of the Panel
	Judith N. Robertson	–	Commissioner
	AnneMarie Ryan	–	Commissioner
Submissions by:	Christie Johnson	–	For Staff of the Commission
	No one made any submissions on behalf of Setenterprice, Dipak Banik, Stoyanka Guerenska, Sophia Nikolov or Evgueni Todorov		

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REASONS AND DECISION ON SANCTIONS AND COSTS

I. INTRODUCTION

[1] After a merits hearing, which the respondents did not attend, the panel made determinations that the respondents, except Nikolov, had breached subsections 25(1) and 53(1) of the *Act*; that the respondent, Todorov, had perpetrated a fraud on investors contrary to section 126(1)(b) of the *Act*; and that the respondents Nikolov and Todorov were found liable under section 129.2 of the *Act*.

[2] This Sanctions Decision should be read in conjunction with the Decision of the Commission dated February 3, 2016 for a full appreciation of the conduct of each respondent and their breaches.

[3] Staff has made written submissions setting forth its request for the appropriate sanctions, penalties and costs that should be imposed by the panel. Although served with Staff's submissions, the respondents have offered no response.

[4] The purpose of sanctions is the prevention of future harm to investors. They are imposed not to punish past conduct per se, but to remove the opportunity for violators, in the future, from harming investors and from lowering the integrity of the capital markets.

[5] The Supreme Court of Canada has held that it is appropriate for the Commission to consider specific and general deterrence in crafting sanctions which are designed to preserve the public interest. The Court stated that the "weight given to general deterrence will vary from case to case and is a matter within the discretion of the Commission."[1]

[6] The evidence established that the respondents committed a series of acts that included unregistered trading and the illegal distribution of securities and that Todorov committed an ongoing course of deceitful and fraudulent conduct, all of which was part of a scheme to defraud investors. The conduct of the respondents caused significant harm to the integrity of the capital markets and deprived investors of their funds. The evidence established that the conduct of the respondents deprived investors of $905,591. It is also noteworthy that this is the second time that Todorov has been found to have breached sections 25(1) and 53(1) of the *Act*. The Commission in *Re 219678 Ontario Ltd. (cob RARE INVESTMENTS)* found Todorov to have breached Ontario securities law and banned him permanently from accessing the securities markets in Ontario.

II. TRADING AND MARKET BANS

[7] The breaches by Todorov, Setenterprice, Guerenska and Banik strike at the most fundamental requirements of the *Act*, i.e. the duty to act honestly and with integrity, the registration of a person who trades in securities or acts in furtherance of a trade and the distribution of securities only after a prospectus has been receipted. These requirements serve to prevent fraud and other abuses of the capital market.

[8] None of these respondents showed even a minimal regard for the requirements of the *Act* or its safeguards for the public. None were registered in any capacity with the Commission. Their breaches were repeated and numerous. Nikolov permitted or acquiesced in these breaches by allowing her husband, Todorov, to use her company, Setenterprice's, bank account as the vehicle to harbour the funds he acquired by deceit from investors and to write cheques, amongst other things, for the couple's personal expenses.

[9] The nature of the breaches, the attitude of the respondents at the relevant times, and the failure of the respondents to justify their conduct, convince us that only significant bans from access to or use of public markets will protect investors. We therefore find that it is in the public interest to make the following orders:

A. Todorov and Setenterprice

(a) pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Todorov and Setenterprice cease permanently;

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

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

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

(e) pursuant to paragraphs 7, 8.1, and 8.3 of subsection 127(1), that Todorov resign any positions he holds as a

[1] *Cartaway Resources Corp.* [2004] 1 SCR 672 at paras. 60 and 64.

director or officer of any issuer, registrant, or investment fund manager;

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

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

B. Banik and Guerenska

(a) pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Banik and Guerenska cease for 6 years;

(b) pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Banik and Guerenska cease for 6 years;

(c) pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Banik and Guerenska for 6 years;

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

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

(f) pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Banik and Guerenska be prohibited for 6 years from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager; and

(g) pursuant to paragraph 8.5 of subsection 127(1), that Banik and Guerenska be prohibited for 6 years from becoming or acting as a registrant, as an investment fund manager, or as a promoter.

C. Nikolov

(a) pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Nikolov cease for 10 years;

(b) pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Nikolov cease for 10 years;

(c) pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Nikolov for 10 years;

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

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

(f) pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Nikolov be prohibited for 10 years from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager; and

(g) pursuant to paragraph 8.5 of subsection 127(1), that Nikolov be prohibited for 10 years from becoming or acting as a registrant, as an investment fund manager, or as a promoter.

III. DISGORGEMENT

[10] Disgorgement orders pursuant to paragraph 10 of subsection 127(1) of the *Act* are appropriate to ensure that respondents do not benefit from their breaches of Ontario securities law.

[11] Each respondent received a monetary benefit from his/her breach of Ontario securities law: Todorov from his deceit of investors and unlawful trading; Setenterprice and Nikolov as the facilitators and recipients of ill-gotten monies; Banik by way of referral fees and other payments; and Guerenska by way of referral fees.

[12] We are of the opinion that the following disgorgement orders are appropriate:

A. Todorov, Setenterprice and Nikolov

(a) pursuant to paragraph 10 of subsection 127(1), that Todorov and Setenterprice and Nikolov disgorge to the Commission $747,323, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act.

B. Banik and Guerenska

(a) pursuant to paragraph 10 of subsection 127(1), that Banik disgorge to the Commission $104,700, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

(b) pursuant to paragraph 10 of subsection 127(1), that Guerenska disgorge to the Commission $53,568, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act.

IV. ADMINISTRATIVE PENALTY

[13] The Commission has held that an administrative penalty should be of a magnitude sufficient to ensure effective specific and general deterrence. Factors to be considered in determining an appropriate administrative penalty include: the scope and seriousness of a respondent's misconduct; whether there were multiple and/or repeated breaches of the *Act*; whether the respondent realized any profit as a result of his or her misconduct; the amount of money raised from investors; the harm caused to investors; and the level of administrative penalties imposed in other cases.[2]

[14] As stated earlier in this decision, this Commission, in *Re 219678 Ontario Ltd. (cob RARE INVESTMENTS)*, found Todorov to have breached Ontario securities law and banned him permanently from accessing the securities markets in Ontario. This case represents a second finding against him. Taking into consideration the conduct of each respondent, the various roles that each played in the scheme and subsequently, in particular the fact that Banik entered an Agreed Statement of Fact where he admitted his transgressions and provided evidence, and the need for both specific and general deterrence, the panel orders:

A. Todorov and Setenterprice

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

B. Banik and Guerenska

(a) pursuant to paragraph 9 of subsection 127(1), that Banik and Guerenska each pay an administrative penalty of $25,000 as a result of their non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act.

C. Nikolov

(a) pursuant to paragraph 9 of subsection 127(1), that Nikolov pay an administrative penalty of $25,000 as a result of her non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act.

V. COSTS

[15] Section 127.1 of the *Act* provides the Commission the discretion to order a person or company to pay the costs of an investigation and/or hearing if the Commission is satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest.

[16] A costs order pursuant to section 127.1 of the *Act* is not a sanction but rather a means to recover the costs of an investigation and/or a hearing from persons or companies who have breached Ontario securities law or acted contrary to the public interest. As the Commission is a self-funded body, it is appropriate that the Commission's costs should be borne by those who have cause them to be incurred, rather than by capital market participants who comply with Ontario securities laws. A costs order will not necessarily lead to the recovery of all of the costs incurred by the Commission, but it is appropriate that respondents contribute to those costs when there has been a finding that they have contravened securities law.

[17] Rule 18.2 of the Commission's *Rules of Procedure* provides that the Commission may consider the following factors in determining the issue of costs under section 127.1:

[2] *Re Rowan* (2010), 33 OSCB 91 (OSC) at paras. 67, 73-74; *Limelight Entertainment Inc. (Re)* (2008), 31 OSCB 12030 (OSC) at paras. 67, 71, 78.

- whether the respondent failed to comply with a procedural order or direction of the Panel;
- the complexity of the proceeding;
- the importance of the issues;
- the conduct of Staff during the investigation and during the proceeding, and how Staff's conduct contributed to the costs of the investigation and the proceeding;
- whether the respondent contributed to a shorter, more efficient, and more effective hearing, or whether the conduct of the respondents unnecessarily lengthened the duration of the proceeding;
- whether any step in the proceeding was taken in an improper, vexatious, unreasonable, or negligent fashion or in error;
- whether the respondent participated in a responsible, informed and well-prepared manner;
- whether the respondent cooperated with Staff and disclosed all relevant information;
- whether the respondent denied or refused to admit anything that should have been admitted; or
- any other factors the Panel considers relevant.

[18] Staff has limited its costs request against Nikolov to reflect only the partial success of Staff in proving its allegations against her.

[19] Staff has requested that no costs be imposed on Banik to reflect that he entered into an Agreed Statement of Fact with Staff admitting full culpability for breaches of sections 25 and 53 of the *Act*.

[20] Staff has provided to the panel the number of hours spent by staff members in both the investigation stage and in the litigation stage of this matter. It has also provided the hourly rates charged to the file for each necessary timekeeper. We have reviewed the summaries provided and find that both the hours spent and the rate per hour are fair and reasonable.

[21] In its Bill of Costs, Staff claims costs of $288,496.25, a 45 percent discount from the total of hours spent and rates charged to the file. The $288,496.25 is for the work performed for Michelle Hammer, investigator, and Christie Johnson, counsel, although we note that other staff members were involved whose time is not being claimed. We find Staff's claim for costs to be reasonable.

[22] The apportionment of costs amongst the respondents must reflect the degree of culpability of each, the cooperation, or lack thereof, of each, and the effort required to reach a result with respect to each respondent. We therefore make the following orders:

A. Todorov and Setenterprice

(a) pursuant to section 127.1 of the Act, that Todorov and Setenterprice pay $228,496.25, on a joint and several basis, for the costs of the hearing.

B. Guerenska

(a) pursuant to section 127.1 of the Act, that Guerenska pay $45,000 for the costs of the hearing.

C. Nikolov

(a) pursuant to section 127.1 of the Act, that Nikolov pay $15,000 for the costs of the hearing.

VI. CONCLUSION

[23] Based on the foregoing, we find that it is in the public interest to impose the following sanctions, and will issue an order to that effect:

(a) Against Todorov and Setenterprice:

i. pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Todorov and

Setenterprice cease permanently;

ii. pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Todorov and Setenterprice is prohibited permanently;

iii. pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Todorov and Setenterprice permanently;

iv. pursuant to paragraph 6 of subsection 127(1), that Todorov be reprimanded;

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

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

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

viii. pursuant to paragraph 10 of subsection 127(1), that Todorov and Setenterprice and Nikolov disgorge to the Commission $747,323, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

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

x. pursuant to section 127.1 of the Act, that Todorov and Setenterprice pay $228,496.25, on a joint and several basis, for the costs of the hearing.

(b) Against Banik and Guerenska:

i. pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Banik and Guerenska cease for 6 years;

ii. pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Banik and Guerenska cease for 6 years;

iii. pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Banik and Guerenska for 6 years;

iv. pursuant to paragraph 6 of subsection 127(1), that Banik and Guerenska be reprimanded;

v. pursuant to paragraphs 7, 8.1, and 8.3 of subsection 127(1), that Banik and Guerenska resign any positions they hold as a director or officer of any issuer, registrant, or investment fund manager;

vi. pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Banik and Guerenska be prohibited for 6 years from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

vii. pursuant to paragraph 8.5 of subsection 127(1), that Banik and Guerenska be prohibited for 6 years from becoming or acting as a registrant, as an investment fund manager, or as a promoter;

viii. pursuant to paragraph 10 of subsection 127(1), that Banik disgorge to the Commission $104,700, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

ix. pursuant to paragraph 10 of subsection 127(1), that Guerenska disgorge to the Commission $53,568, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

x. pursuant to paragraph 9 of subsection 127(1), that Banik and Guerenska each pay an administrative penalty of $25,000 as a result of their non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

xi. pursuant to section 127.1 of the Act, that Guerenska pay $45,000 for the costs of the hearing.

(c) Against Nikolov:

i. pursuant to paragraph 2 of subsection 127(1), that trading in any securities by Nikolov cease for 10 years;

ii. pursuant to paragraph 2.1 of subsection 127(1), that the acquisition of any securities by Nikolov cease for 10 years;

iii. pursuant to paragraph 3 of subsection 127(1), that any exemptions contained in Ontario securities law do not apply to Nikolov for 10 years;

iv. pursuant to paragraph 6 of subsection 127(1), that Nikolov be reprimanded;

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

vi. pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1), that Nikolov be prohibited for 10 years from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

vii. pursuant to paragraph 8.5 of subsection 127(1), that Nikolov be prohibited for 10 years from becoming or acting as a registrant; as an investment fund manager, or as a promoter;

viii. pursuant to paragraph 10 of subsection 127(1), that Todorov and Setenterprice and Nikolov disgorge to the Commission $747,323, on a joint and several basis, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

ix. pursuant to paragraph 9 of subsection 127(1), that Nikolov pay an administrative penalty of $25,000 as a result of her non-compliance with Ontario securities law, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

x. pursuant to section 127.1 of the Act, that Nikolov pay $15,000 for the costs of the hearing.

Dated at Toronto this 15th day of March, 2016.

“Alan Lenczner”

“Judith Robertson”

“AnneMarie Ryan”

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation

THERE IS NOTHING TO REPORT THIS WEEK.

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

THERE IS NOTHING TO REPORT THIS WEEK.

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
Boomerang Oil, Inc.	29 January 2016	10 February 2016	10 February 2016		
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		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Tango Mining Limited	7 January 2016	20 January 2016	20 January 2016		
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 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:
AGF American Growth Fund
AGF Asian Growth Fund
AGF Elements Balanced Portfolio Class
AGF Elements Conservative Portfolio Class
AGF Elements Global Portfolio Class
AGF Elements Growth Portfolio Class
AGF Elements Yield Portfolio
AGF Elements Yield Portfolio Class
AGF European Equity Fund
AGF Fixed Income Plus Class
AGF Global Dividend Class
AGF Global Resources Fund
AGF Tactical Fund
AGF Total Return Bond Class
AGF U.S. Risk Managed Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 16, 2016
NP 11-202 Receipt dated March 17, 2016
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #2455518

Issuer Name:
Greystone Global Equity Fund
Lazard Global Low Volatility Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 18, 2016
NP 11-202 Receipt dated March 21, 2016
Offering Price and Description:

Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investments Partners & Co.
Project #2456455

Issuer Name:
Canadian Western Bank
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 15, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
$140,000,000
5,600,000 Non-Cumulative 5-Year Rate Reset First Preferred Shares Series 7
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Desjardins Securities Inc.
Promoter(s):
-
Project #2453491

Issuer Name:
DataWind Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 15, 2016
NP 11-202 Receipt dated March 16, 2016
Offering Price and Description:
$2,600,000.00 - 1,300,000 Units consisting of Common Shares and Warrants
Price: $2.00 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #2454915

Issuer Name:
First Asset Global Financial Sector ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 16, 2016
NP 11-202 Receipt dated March 16, 2016
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #2455266

Issuer Name:
Guardian Canadian Focused Equity Fund
Guardian Emerging Markets Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 18, 2016
NP 11-202 Receipt dated March 21, 2016
Offering Price and Description:
Series W and I Units
Underwriter(s) or Distributor(s):
Worldsource Financial Management Inc.
Worldsource Securities Inc.
Promoter(s):
Guardian Capital LP
Project #2456450

Issuer Name:
Horizons Canadian Dollar Currency ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 21, 2016
NP 11-202 Receipt dated March 21, 2016
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
HORIZONS ETFs MANAGEMENT (CANADA) INC.
Project #2456903

Issuer Name:
National Bank Global Tactical Bond Fund
National Bank U.S. $ Global Tactical Bond Fund
NBI Currency-Hedged International High Conviction Equity Private Portfolio
NBI Currency-Hedged U.S. High Conviction Equity Private Portfolio
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectuses dated March 10, 2016
NP 11-202 Receipt dated March 16, 2016
Offering Price and Description:
Advisor Series, Investor Series and F Series Securities
Underwriter(s) or Distributor(s):
National Bank Investments Inc.
National Bank Financial Ltd.
National Bank Financial Inc.
Promoter(s):
National Bank Investments Inc.
Project #2453653

Issuer Name:
Plaza Retail REIT
Principal Regulator - New Brunswick
Type and Date:
Preliminary Short Form Prospectus dated March 16, 2016
NP 11-202 Receipt dated March 16, 2016
Offering Price and Description:
$20,010,000.00 - 4,350,000 Units
Price: $4.60 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Laurentian Bank Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #2453602

Issuer Name:
TELUS Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated March 15, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
$3,000,000,000
Debt Securities
Preferred Shares
Common Shares
Warrants to Purchase Equity Securities
Warrants to Purchase Debt Securities
Share Purchase Contracts
Share Purchase or Equity Units
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2454688

Issuer Name:
Tourmaline Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 18, 2016
NP 11-202 Receipt dated March 18, 2016
Offering Price and Description:
$243,990,000.00 9,000,000 Common Shares
Price: $27.11 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Firstenergy Capital Corp.
Scotia Capital Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2454492

Issuer Name:
TransCanada Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 17, 2016
NP 11-202 Receipt dated March 17, 2016
Offering Price and Description:
$ * - * Subscription Receipts, each representing the right to receive one Common Share
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #2455792

Issuer Name:
TransCanada Corporation
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated March 18, 2016
NP 11-202 Receipt dated March 18, 2016
Offering Price and Description:
$4,209,000,000.00 - 92,000,000 Subscription Receipts each representing the right to receive one Common Share
Price: $45.75 per Subscription Receipt
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc..
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
J.P. Morgan Securities Canada Inc.
Wells Fargo Securities Canada, Ltd.
Merrill Lynch Canada Inc.
Citigroup Global Markets Canada Inc
Credit Suisse Securities (Canada), Inc.
HSBC Securities (Canada) Inc.
Firstenergy Capital Corp.
Macquarie Capital Markets Canada Ltd.
Peters & Co. Limited
Promoter(s):
-
Project #2455792

Issuer Name:
AGF American Growth Class
AGF Asian Growth Class
AGF Canada Class
AGF Canadian Asset Allocation Fund
AGF Canadian Bond Fund
AGF Canadian Growth Equity Class
AGF Canadian Large Cap Dividend Class
AGF Canadian Large Cap Dividend Fund
AGF Canadian Money Market Fund
AGF Canadian Resources Class
AGF Canadian Small Cap Discovery Fund (formerly, Acuity Canadian Small Cap Fund)
AGF Canadian Small Cap Fund
AGF Canadian Stock Fund
AGF China Focus Class
AGF Global Sustainable Growth Equity Fund (formerly, AGF Clean Environment Equity Fund)
AGF Diversified Income Class
AGF Diversified Income Fund (formerly, Acuity Diversified Income Fund)
AGF Dividend Income Fund
AGF EAFE Equity Fund (formerly, Acuity EAFE Equity Fund)
AGF Elements Balanced Portfolio
AGF Elements Balanced Portfolio Class
AGF Elements Conservative Portfolio
AGF Elements Conservative Portfolio Class
AGF Elements Global Portfolio
AGF Elements Global Portfolio Class
AGF Elements Growth Portfolio
AGF Elements Growth Portfolio Class
AGF Elements Yield Portfolio
AGF Emerging Markets Balanced Fund
AGF Emerging Markets Bond Fund
AGF Emerging Markets Class
AGF Emerging Markets Fund
AGF Equity Income Focus Fund
AGF European Equity Class
AGF Fixed Income Plus Fund (formerly, Acuity Fixed Income Fund)
AGF Floating Rate Income Fund
AGF Global Bond Fund (formerly, AGF Global Aggregate Bond Fund)
AGF Global Convertible Bond Fund
AGF Global Dividend Fund
AGF Global Equity Class
AGF Global Equity Fund
AGF Global Resources Class
AGF Global Select Fund (formerly, AGF Aggressive Global Stock Fund)
AGF Global Value Class
AGF Global Value Fund
AGF High Yield Bond Fund (formerly, AGF Canadian High Yield Bond Fund)
AGF Income Focus Fund
AGF Inflation Focus Fund
AGF Inflation Plus Bond Fund
AGF International Stock Class
AGF Monthly High Income Fund
AGF Precious Metals Fund
AGF Short-Term Income Class
AGF Tactical Income Fund (formerly, Acuity Growth & Income Fund)

AGF Total Return Bond Fund (formerly, AGF Global High Yield Bond Fund)
AGF Traditional Balanced Fund
AGF Traditional Income Fund
AGF U.S. Sector Class
AGF U.S. Small-Mid Cap Fund (formerly, AGF Aggressive U.S. Growth Fund)
AGF Global Balanced Fund (formerly, AGF World Balanced Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #6 dated March 9, 2016 to the Simplified Prospectuses dated April 17, 2015
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AGF Investments Inc.
Project #2319602

Issuer Name:
AIP Canadian Enhanced Income Class
AIP Global Macro Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 15, 2016
NP 11-202 Receipt dated March 16, 2016
Offering Price and Description:
Series A, F and I shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIP Asset Management Inc.
Project #2438533

Issuer Name:
Canadian Imperial Bank of Commerce
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 16, 2016
NP 11-202 Receipt dated March 17, 2016
Offering Price and Description:
$10,000,000,000.00
Debt Securities (unsubordinated indebtedness)
Debt Securities (subordinated indebtedness)
Common Shares
Class A Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2452850

Issuer Name:
TD Corporate Bond Capital Yield Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 9, 2016 to the Simplified Prospectuses dated July 23, 2015
NP 11-202 Receipt dated March 18, 2016
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
TD Waterhouse Canada Inc.
TD Investment Services Inc. (for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series units)
TD Investment Services Inc.(for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series Units)
TD Waterhouse Canada Inc.
TD Waterhouse Canada Inc. (W-Series and WT-Series only)
TD Investment Services Inc. (for Investor Series)
TD Investment Services Inc. (for Investor Series and Premium Series units)
Promoter(s):
TD Asset Management Inc.
Project #2363093

Issuer Name:
Marquest 2016-1 Mining Super Flow-Through Limited Partnership - National Class
Marquest 2016-1 Mining Super Flow-Through Limited Partnership - Québec Class
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectuses dated March 14, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
Maximum Offering: $20,000,000 - 2,000,000 National Class Units @ 10/Unit
Minimum Offering: $2,500,000 - 250,000 National Class Units @ $10/Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Desjardins Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
Marquest Asset Management Inc.
Project #2432321

Issuer Name:
Marquest 2016-1 Mining Super Flow-Through Limited Partnership - Québec Class
Marquest 2016-1 Mining Super Flow-Through Limited Partnership - National Class
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectuses dated March 14, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
Maximum Offering: $20,000,000 - 2,000,000 Québec Class Units @ @10.00/Unit
Minimum Offering: $2,500,000 - 250,000 Québec Class Units) @ $10/Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Desjardins Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Burgeonvest Bick Securities Limited
Dundee Securities Ltd.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Promoter(s):
Marquest Asset Management Inc.
Project #2432318

Issuer Name:
Purpose Premium Money Market Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 9, 2016 to the Simplified Prospectus dated October 15, 2015
NP 11-202 Receipt dated March 21, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Purpose Investments Inc.,
Project #2379603

Issuer Name:
RMP Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 15, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
$30,033,000.00 - 21,300,000 Common Shares
Price: $1.41 per Common Shares
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
Cormark Securities Inc.
FirstEnergy Capital Corp.
National Bank Financial Inc.
Scotia Capital Inc.
GMP Securities L.P.
Peters & Co. Limited
Dundee Securities Ltd.
Promoter(s):
-
Project #2450880

Issuer Name:
Rogers Communications Inc.
Type and Date:
Final Base Shelf Prospectus dated March 14, 2016
Receipted on March 15, 2016
Offering Price and Description:
US$4,000,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2451584

Issuer Name:
Rogers Communications Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 14, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
$4,000,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2451587

Issuer Name:
Smart Canadian Index Fund (formerly, Pro FTSE RAFI Canadian Index Fund)
Smart Emerging Markets Index Fund (formerly, Pro FTSE RAFI Emerging Markets Index Fund)
Smart Global Index Fund (formerly, Pro FTSE RAFI Global Index Fund)
Smart Hong Kong China Index Fund (formerly, Pro FTSE RAFI Hong Kong China Index Fund)

Type and Date:
Final Simplified Prospectuses dated March 7, 2016
NP 11-202 Receipt dated March 15, 2016
Offering Price and Description:
Class B and F units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Smart Investments Ltd.
Project #2439040

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Quantum Advisors Private Limited	Restricted Portfolio Manager	March 16, 2016
Name Change	From: Absolute Private Counsel Limited To: Glidepath Portfolio Services Inc.	Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	March 14, 2016
Change in Registration Category	Desjardins Sécurité Financière Investissements Inc./Desjardins Financial Security Investments Inc.	From: Exempt Market Dealer and Mutual Fund Dealer To: Mutual Fund Dealer	March 17, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Triact Canada Marketplace LP — Notice of Proposed Changes and Request for Comment — Change to the MATCHNow Trading System

TRIACT CANADA MARKETPLACE LP
NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT
CHANGE TO THE MATCHNOW TRADING SYSTEM

TriAct Canada Marketplace LP ("TriAct" also known as “MATCHNow”) has announced plans to implement the change described below 90 days following approval by the Ontario Securities Commission (the OSC). TriAct is publishing this Notice of Proposed Changes in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto". Market participants are invited to provide the OSC with comments on the proposed change.

Feedback on the proposed change should be in writing and submitted by **April 25, 2016** to:

Market Regulation Branch
Ontario Securities Commission
22nd Floor
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: marketregulation@osc.gov.on.ca

And to:
Kuno Tucker
Chief Compliance Officer
TriAct Canada Marketplace LP
The Exchange Tower
130 King Street West, Suite 1050
Toronto, Ontario M5X 1B1
Fax: (416) 874-0690
e-mail: kuno.tucker@matchnow.ca

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of OSC staff's review and to specify the intended implementation date of the changes.

If you have any questions concerning the information below, please contact Kuno Tucker, Chief Compliance Officer for TriAct, at (416) 874-0830.

A. Detailed description of the proposed change to the MATCHNow trading system

TriAct is proposing to modify the timing of MATCHNow’s call auction, which currently searches for matches among Liquidity Providing (LP) buy/sell orders at the midpoint every 5 seconds (randomized with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), to a new range of between 1 and 3 seconds, which will also apply on a randomized basis.

Currently, MATCHNow searches for matches among LP orders every 5 seconds (randomized, with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), at the mid-market price, saving each liquidity provider 50% of the Canadian Best Bid or Offer spread. TriAct has the ability to adjust trading from continuous matching to a specific call auction frequency through defined parameters. At this time, TriAct is proposing a change to improve the frequency of LP order matching at the midpoint by reducing the duration of each call auction cycle for LP orders from 5 seconds (randomized, with a standard deviation of 2 seconds (5 seconds +/- 2 seconds)), to a range of 1 to 3 seconds, on a randomized basis.

B. Expected implementation date

The proposed change is expected to be implemented 90 days following approval by the OSC.

C. Rationale for the proposed change and any supporting analysis

The rationale for the proposed change is to enhance the efficiency of the MATCHNow marketplace by increasing the frequency of potential LP order matching. In addition, the proposed change has the advantage of simplifying the terminology used to describe the duration of the MATCHNow call auction for LP orders.

D. The expected impact of the proposed change on market structure, subscribers, and, if applicable, investors and capital markets

The proposed change is not expected to cause any significant changes to market structure or to Canada's capital markets more generally, other than to enhance market efficiency for the subscribers and investors whose orders are being routed through MATCHNow.

E. Expected impact of the proposed change on MATCHNow's compliance with Ontario securities law, including the requirements of fair access and the maintenance of fair and orderly markets

As noted above, the proposed change will increase the frequency of potential LP order matching and thereby enhance market efficiency. As such, the impact of the proposed change will be to maintain TriAct's compliance with Ontario securities law.

F. Consultation done with the industry regarding the proposed change

The proposed change was widely communicated to TriAct's subscribers through TriAct's User Advisory Committee, which is open to all MATCHNow subscribers. Meetings of the User Advisory Committee at which the proposed change was discussed were well attended, and the feedback that TriAct received from subscribers regarding the proposed change was uniformly favorable.

G. Whether the proposed change requires subscribers and service vendors to modify their systems after its implementation

TriAct believes that the proposed change will not require subscribers or service vendors to make any modifications to their operational systems following implementation.

H. If applicable, whether the proposed change would introduce a feature that currently exists on other Canadian marketplaces

Not applicable. TriAct is not aware of any other Canadian marketplace that features a call auction whose timing is specifically in the 1 to the 3-second range, randomized.

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