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1.1.1 CSA Staff Notice 31-345 – Cost Disclosure, Performance Reporting and Client Statements – Frequently Asked Questions and Additional Guidance

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 31-345
Cost Disclosure, Performance Reporting and Client Statements – Frequently Asked Questions and Additional Guidance

April 14, 2016

Background

Amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) and Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**31-103CP** or the **CP**) implementing phase 2 of the Client Relationship Model (**CRM2**) came into force on July 15, 2013 (the **CRM2 Amendments**). Staff of the Canadian Securities Administrators (**CSA staff** or **we**) have compiled these frequently asked questions and our responses as well as further guidance (**FAQs**) in addition to that which we published in CSA Staff Notice 31-337 *Cost Disclosure, Performance Reporting and Client Statements – Frequently Asked Questions and Additional Guidance as of February 27, 2014* (**CSA SN 31-337**). FAQs from CSA SN 31-337 have been consolidated with the further FAQs in this notice. For that reason, CSA SN 31-337 is hereby withdrawn. Some of the earlier FAQs have been superseded in part by the further FAQs or left out of this consolidation because they are no longer necessary. Among other things, this notice includes a section on the applicability of the CRM2 Amendments to exempt market dealers. Some parts of this guidance were previously published in CSA Staff Notice 31-324 *Exempt Market Dealers and Account Statement Requirements in National Instrument 31-103 Registration Requirements and Exemptions* dated June 22, 2011 (**CSA SN 31-324**). With the publication of the updated guidance in this notice, CSA SN 31-324 is also hereby withdrawn.

In this notice, "**registered firm**" or "**firm**" includes both registered dealers and registered advisers unless otherwise specified, and we refer to mutual fund dealers as "**MFDs**", exempt market dealers as "**EMDs**", portfolio managers as "**PMs**" and investment fund managers as "**IFMs**".

All references in this notice to sections, subsections, paragraphs and subparagraphs are to NI 31-103, unless otherwise noted.

CRM2 Transition
These FAQs concern ongoing CRM2 Amendments. The CRM2 Amendments are being phased-in over a three-year transition period from 2013 through 2016. Certain transitional relief has been published in the form of blanket or omnibus orders issued by all Canadian Securities Administrators (**CSA**) members and in housekeeping amendments to member rules of the self-regulatory organizations **(SROs)**, the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Mutual Fund Dealers Association of Canada (**MFDA**). The CSA and the SROs have also published CRM2 implementation planning tips documents. Registrants should refer to these publications for information that may be relevant to their transition planning.

CRM2 Amendments and EMDs
With the exception of a few provisions specific to IFMs and a few provisions relating to scholarship plans that will have unique implications for scholarship plan dealers, the CRM2 Amendments do not differentiate between categories of registrant. Any differences in the application of the CRM2 Amendments between different registered dealers or registered advisers will be the result of their different operating models, which may bring different CRM2 Amendments into play for them.

CRM2 Amendments and EMDs

The CRM2 Amendments include exemptions with respect to permitted clients that are not individuals and there are corresponding exemptions in IIROC member rules. Consequently, firms that focus exclusively on institutional investors may not be significantly affected by the introduction of the CRM2 Amendments.

Questions about how the CRM2 Amendments will apply to a category of registrant are most often asked with regard to EMDs that are not also registered as advisers or in another category of dealer (**sole EMDs**). The guidance below discusses how the CRM2 Amendments may affect a sole EMD. It in no way supersedes the provisions in NI 31-103.

Overview:

Holding client assets and other specified criteria

The applicability of some of the CRM2 Amendments depends on whether a registered firm holds client assets (account statements) or, if it does not, whether certain other specific criteria apply (additional statements). Other CRM2 Amendments may or may not apply depending on whether a registered firm has a "client" at the relevant point in time (annual report on charges and other compensation, and annual report on investment performance).

Sole EMDs do not normally hold client assets and where that is the case, they can disregard provisions that only apply where client assets are held by a registered firm. In circumstances where a sole EMD holds client assets (as may be the case with mortgage syndications), it must deliver account statements with the information required under subsections 14.14(4) and 14.14(5) along with position cost information under section 14.14.2. Furthermore, since holding client assets is a clear indication of an ongoing client relationship, a sole EMD is also subject to the requirement to deliver an annual report on charges and other compensation under section 14.17 and an annual investment performance report under section 14.18.

Transactional vs ongoing client relationship

Some sole EMDs have only limited, transactional relationships with their clients – as opposed to the ongoing client relationships that are typical of most other registrants' operating models. An example of a transactional relationship would be where an EMD's relationship with a client is limited to a specific private placement transaction and does not involve

- a security specified in paragraph 14.14.1(1)(c)
- any trailer fee or similar ongoing compensation in relation to the client's ownership of a security
- the EMD holding client assets
- any expectation on the part of the EMD that there may be further transactions with the client or services provided to the client. For example, if an EMD regularly contacts the client regarding any securities offered by the EMD, this will be considered an ongoing relationship.
- any expectation on the part of the client that the EMD will continue to provide services to the client after the completion of the transaction. The example described above applies in this case as well.

In this example, the EMD would be required to deliver one account statement with transactional information under subsection 14.14(4), but would not be required to deliver any

- further account statements under section 14.14
- additional statements under section 14.14.1
- position cost information under section 14.14.2
- annual report on charges and other compensation under section 14.17
- annual investment performance report under section 14.18

A sole EMD should consider carefully whether it is in an ongoing client relationship before concluding that any of the CRM2 Amendments does not apply to it.

CRM2 Amendments and EMDs

Section-by-section analysis:

Relationship disclosure information, pre-trade disclosure of charges and trade confirmation

A sole EMD always has a client at the time of the transaction and will be subject to CRM2 Amendments (and other NI 31-103 requirements) relating to the relationship disclosure (section 14.2), pre-trade disclosure of charges (section 14.2.1) and trade confirmations (section 14.12). However, if it has no other dealings with the investor, the EMD might conclude that it is no longer in a client relationship at the point in time when it would otherwise be required to prepare further client statements and reports, as discussed below.

Account statements

An account statement has two principal elements: transactional information and account position information. Transactional information is specific to the securities involved and is required in almost all circumstances where there has been a transaction. Account position information is a snap-shot of the whole account and is required only where the firm holds client assets.

Subsection 14.14(1) requires an EMD to deliver transactional information prescribed under subsection 14.14(4) to clients on a quarterly basis or, if so requested, each month. This requirement applies regardless of whether the firm holds client assets. For EMDs that hold client assets, account position information under subsection 14.14(5) is also required. Note that subsection 14.14(2) requires an EMD to deliver an account statement with transactional information under subsection 14.14(4) "after the end of ***any month*** in which a transaction was effected in securities ***held*** by the dealer in the client's account" [emphasis added].

The effect of these requirements is that, if one or more transactions occurred in the reporting period, a sole EMD must provide the client with an account statement with transactional information (but not account position information if no clients assets are held) either

- at the end of the month, if requested by a client, or
- at the end of the quarter, by default.

This applies even where an EMD does not have an ongoing client relationship.

Additional statements

An "additional statement" (registered firms subject to the requirements in section 14.14.1 are not required to call it this in client communications – "account statement" would do for those purposes) is the way clients get the equivalent of account position information where the registered firm does not hold their assets. It only applies in certain circumstances.
More specifically, subsection 14.14.1(1) requires a registered dealer or adviser that does not hold client assets to provide an additional statement with account position information under subsection 14.14.1(2) on a quarterly basis if

- it has trading authority over the client's account in which the securities are held or were transacted (not, of course, applicable to a sole EMD),
- it receives certain continuing payments in respect of securities it traded for a client (e.g., trailing commission), or
- it is the dealer of record for a client's securities issued by a mutual fund or certain labour-sponsored investment vehicles (EMDs trading securities of an investment fund should be aware of the definition of "mutual fund" under securities legislation).

In effect, a registered firm is deemed to have an ongoing client relationship in these circumstances. If none of these circumstances apply, there is no requirement for a sole EMD to provide clients with an additional statement.

Position cost information

Subsection 14.14.2(1) requires quarterly delivery of position cost information under criteria which effectively mean that if a sole EMD has to provide account position information to a client, either in an account statement or an additional statement, it also has to provide position cost information to the client.

CRM2 Amendments and EMDs

Annual report on charges and other compensation

Subsection 14.17(1) requires delivery of a report on charges and other compensation to a client every 12 months. This is an instance where a sole EMD must decide whether it has an ongoing client relationship, as discussed above. It certainly does if it is subject to the requirement to provide account position information to a client, either in an account statement or an additional statement.

However, even if the requirement in subsection 14.17(1) is triggered, the EMD would not be required to send a "nil" report if none of the specified charges or other compensation were received by it during the 12-month period.

Annual investment performance report

Subsection 14.18(1) requires annual delivery of an investment performance report to a client. The considerations discussed above will also apply when determining whether an EMD has an ongoing client relationship that would require it to provide an investor with this report.

Note that the elements of the performance report set out in section 14.19 will depend on market values that are contained in the account position information provided in the account statements and additional statements sent under sections 14.14 and 14.14.1, respectively. There is no requirement to deliver a performance report if none of a client's securities can be valued.

CRM2 Amendments and SRO Members

The CSA have approved member rules of the SROs that are harmonized with the CRM2 Amendments. Provided that they are in compliance with applicable rules of their SRO, dealers that are members of IIROC and the MFDA are exempt from the corresponding requirements of NI 31-103. Although the CRM2 requirements in SRO rules and NI 31-103 are harmonized to a high degree, there are a few differences and SRO members should look first to guidance from their SRO if they have questions about the interpretation of CRM2 requirements, turning to CSA guidance (including these FAQs) only if a question is not addressed in guidance from their SRO.

Note that IIROC and MFDA members who are also registered in categories that do not require SRO membership may be required to comply with NI 31-103 in respect of activities carried on under that other registration. For example, if a firm is registered as an IFM and is also registered as a MFD and a member of the MFDA, it will be subject to the requirements in Part 14 of NI 31-103 that apply to IFMs, but it will be able to rely on exemptions set out in Part 9 of NI 31-103 in respect of its MFD activities, so long as it complies with the corresponding requirements in MFDA member rules.

Applicability of SROs' CRM2 Guidance to non-SRO Members

In these FAQs, we have incorporated some SRO guidance concerning questions that have also been asked of CSA staff by non-members. We also endorse more generally the CRM2 guidance that the SROs have published for their members. Although some of the SRO guidance is specific to the operating models of member firms or may relate to aspects of member rules that differ in detail from the corresponding requirements in NI 31-103, much of it can be instructive for non-members who have questions that have not been specifically addressed in CSA guidance.

FREQUENTLY ASKED QUESTIONS

	QUESTION	ANSWER
General Questions		
1.	When does someone cease to be a client, such that a registrant is no longer required to provide the statements and reports contemplated in the CRM2 Amendments?	It is not possible to provide a bright line test for determining when a client relationship has ended that will apply in all cases. We expect firms to exercise reasonable professional judgement, erring in favour of providing client reporting where there is doubt as to whether there is still a client relationship. Some principles that apply to the exercise of that judgement are: • A person remains a client of a registered dealer or adviser for so long as the dealer or adviser holds securities owned by the person, or the circumstances described in subsection 14.14.1(1)

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
		[*additional statements*] apply. • A firm should consider the totality of its dealings with a client and the client's expectations of ongoing services from the firm. • Whether a client relationship is ongoing or not depends on the particular facts and circumstances of the relationship. Note that a registered dealer or adviser may not avoid the client reporting requirements in NI 31-103 by selectively choosing to cease to be the dealer of record for some of a client's securities. For example, a dealer may not tell the IFM of a client's mutual funds that it is no longer the dealer of record for some of the client's securities (unless those securities have been transferred to an account of the client at another dealer or an adviser), and at the same time, keep an account for the client. See also the guidance in question 35 regarding section 14.15 [*security holder statements*].
2.	Do disclosure and reporting requirements in CRM2 Amendments apply to other investments that may not be securities, such as segregated funds?	The jurisdiction of the CSA limits the CRM2 Amendments to securities (including derivatives or exchange contracts, as applicable, in certain jurisdictions pursuant to the requirements of section 1.2 of NI 31-103). Nonetheless, we encourage registrants to provide their clients with information that meets the standards set in the CRM2 Amendments in respect of all of their investments. This will enable investors to better understand the relative costs of different investments and their performance. Note that requirements imposed by SROs may extend to such investments.
3.	Where should switch fees and short-term trading fees be reported?	Switch fees charged by a registered dealer or adviser are considered a transaction charge (see the discussion of the definition of "transaction charge" in section 14.2 of the CP). They must be disclosed before the trade (section 14.2.1), in a trade confirmation (paragraph14.12(1)(c)) and in the annual report on charges and other compensation (paragraph 14.17(1)(c)). Short-term trading fees paid to an investment fund must be disclosed in a trade confirmation but are not included in the requirements for the annual report on charges and other compensation.
14.2 Relationship disclosure information		
4.	Before July 15, 2013, there was an exemption in former subsection 14.2(6) from section 14.2 in respect of a permitted client if (a) the client had waived it in writing, and (b) the registrant did not act as an adviser in respect of a managed account of the client. Under the CRM2 Amendments, the exemption was changed to a permitted client that is not an individual. Is the registrant now required to deliver relationship disclosure information to an individual permitted client who had previously waived the section?	Yes. If the individual permitted client had previously waived relationship disclosure information, in light of the CRM2 Amendments, a registered firm must deliver relationship disclosure to all individuals, whether or not they are permitted clients. We expect registered firms to act reasonably as to when they next deliver the relationship disclosure information. If there is a significant change in respect of the relationship disclosure information, then the registered firm should act right away. Otherwise, we would expect the relationship disclosure information to be updated the next time a firm purchases or sells a security for a client or advises a client to purchase, sell or hold a security.

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
5.	If an individual permitted client has waived the suitability requirement under subsection 13.3(4), how will a firm meet the requirement in paragraph 14.2(2)(k) to deliver a statement that the firm has an obligation to assess whether a purchase or sale of a security is suitable for a client prior to executing the transaction or at any other time?	When there is no obligation to make a suitability determination because of the application of subsection 13.3(4), the firm will have met the requirement in paragraph 14.2(2)(k) by simply informing the client that the firm has no suitability obligation because the client has waived the requirement.
6.	If a firm is exempt from certain know your client (**KYC**) obligations under subsection 13.2(6), how will it meet the requirement in paragraph 14.2(2)(l) to deliver the information a registered firm must collect about the client under section 13.2?	The firm will meet the requirement in paragraph 14.2(2)(l) by delivering the information collected under the KYC obligation in section 13.2. If a firm is exempted from collecting certain KYC information, then the firm is not obligated to deliver that information under paragraph 14.2(2)(l).
7.	Will the CSA be providing additional guidance on benchmarks? Are benchmarks optional? If a firm decides to provide benchmarks, what is the expected frequency?	Other than a general discussion as part of the relationship disclosure information requirement in paragraph 14.2(2)(m), there is no requirement for registered firms to provide benchmark information to clients and for greater certainty, we have provided guidance under sections 14.2 [*relationship disclosure information*] and 14.19 [*content of investment performance report*] of the CP. Since benchmarks are optional, we did not prescribe any periods or other specifications for provision of benchmark information. However, we have provided guidance on the provision of benchmarks in section 14.19 of the CP, including, importantly, that benchmark information not be misleading. We are not providing specific guidance on benchmarks beyond that already set out in the CP. We expect firms to use their professional judgement when determining which benchmarks are relevant to a client's investments and explain to clients the use of benchmarks in terms they will understand.
8.	When does the guidance on the use of benchmarks set out under section 14.19 [*content of investment performance report*] in the CP come into effect?	The guidance in section 14.19 of the CP is relevant to the use of benchmarks today and is consistent with previously published guidance.
14.2.1 Pre-trade disclosure of charges		
9.	Can registrants use the Fund Facts document to satisfy the requirements in section 14.2.1 [*pre-trade disclosure of charges*]? The question arises because 31-103CP suggests a mutual fund's management fee should be discussed in the pre-trade disclosure of charges, but the Fund Facts document is not required to include the management fee in all cases	If a registrant delivers the Fund Facts document at the point of sale and explains the specific costs of the transaction to the client, then the registrant may use it further to satisfy the requirements of section 14.2.1 for the disclosure of charges related to the transaction. Since the management fee generally constitutes most of the MER of a mutual fund, we think this would be in line with the guidance in the CP.

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
	(only in the case of a new fund for which the management expense ratio (**MER**) is not available).	
10.	Must charges associated with a transfer of securities be disclosed before the transfer is effected?	A transfer is a transaction, so the client must receive pre-trade disclosure of charges. Whether it is the delivering registered firm or the receiving registered firm that provides a client with information about charges associated with a transfer (or both of them) will depend on which of them has the relevant information.
11.	Must pre-trade disclosure be provided where standard charges apply?	Yes. But, in the case of a client who is a frequent trader, where the firm has good reason to believe applicable charges are well understood, a brief confirmation that the usual charges will apply would be acceptable.
14.11.1 Determining market value		
12.	What if the net asset value (**NAV**) of an investment fund which is not listed on an exchange is not available on a daily basis?	The most recent NAV provided by the IFM should be used. If a registered dealer or adviser reasonably believes the NAV for an investment fund is stale or otherwise inaccurate, it may include an explanatory note to that effect in the statement provided to its client.
13.	Can a registered firm rely on a valuation provided by the issuer of securities when the firm is determining market value under section 14.11.1?	A registered firm that is required to provide market value information determined under section 14.11.1, is responsible for the information reported to its clients. The firm may not simply take valuation information from an issuer and pass it on to clients as the market value for purposes of the firm's reporting obligations. The firm must exercise its professional judgement as to the reliability of information provided by an issuer as an input to the firm's determination of market value. It should retain a record of the reasons for its decision.
14.	Why use last bid/ask price instead of closing price? Is it not misleading sometimes; for example, when there are large bid-ask deviations?	We chose last bid/ask price because not all securities are actively traded on a marketplace and there have been consistent problems with firms using stale data based on old closing prices. That said, we recognize that no one measure will always work best, so the requirement is for the firm to report the amount it reasonably believes to be the market value, after making any adjustments it considers necessary to accurately reflect the market value.
15.	Where there is an active market for a security, can a firm use the closing price in determining market value?	In the case of a liquid security for which a reliable price is quoted on a marketplace, if it can be demonstrated through use of a periodic assessment that a "last traded price" valuation approach results in security market values that are materially the same as under the "last bid and ask prices" valuation approach, it may be acceptable to use this current "last traded price" valuation approach.
16.	In the case of illiquid securities, when should a registered firm indicate that the market value is not determinable or is zero?	The prescribed methodology for determining market value must be applied where the value cannot be readily determined by reference to an active market. A firm may not simply default to stating that market value is not determinable or is zero. If, having applied the prescribed methodology, the firm reasonably believes it cannot determine the market value of a security, it must then report its value as "not determinable" in client statements and exclude it from the calculations in client statements and reports, as prescribed in subsection 14.11.1(3). This is not the same as determining that the market value of a security is zero for purposes of client statement reporting. However, we would expect that if the market value of a security cannot be determined for a prolonged period of time, that may be an indication that the market value of the security should now be determined to be zero.

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
		The following considerations can be used in determining when the market value for a particular security is "not determinable": • the security is illiquid • there is little or no issuer and issuer-related financial data available, or the data is stale • there is little or no financial data available for comparable issuers or for the issuer's business sector • there is not enough data to use the International Financial Reporting Standards (**IFRS**) based valuation methodologies prescribed in paragraph 14.11.1(1)(b) and/or the results of the various IFRS methodologies used have been determined to be unreliable because of the use of unreliable data or the results indicate a wide range in possible values • the acquisition cost of the security is no longer a good estimate of the security's market value as the cost is outside the range of possible values for the security Important to applying these considerations is establishing and maintaining a firm policy as to how many days beyond which the last data available is considered to be stale. Similarly, key to determining which securities are assigned a market value of zero is establishing and maintaining a firm policy as to how many days a security can have a "non determinable" value beyond which the market value of the security is considered to be zero. Firms are reminded that for calculations required to prepare investment performance reports, subsection 14.19(7) prescribes a deemed market value of zero for a security whenever a firm believes it cannot determine its market value.
14.12 Content and delivery of trade confirmation		
17.	The prescribed notification under subparagraph 14.12(1)(c.1)(ii) says remuneration "has been" added or deducted from the price of the security. Can "has been" be replaced with "may have been" where the firm will have difficulty determining which trades had dealer firm remuneration added and which did not?	Yes. Since the requirement is to provide a notification that is "substantially" in the form prescribed, a firm can modify the prescribed text to use "may have been" instead of "has been", provided the firm has made reasonable efforts to determine whether it can make the more definitive statement to the client.
14.14 Account statements and 14.14 1 additional statements		
18.	Is there any additional guidance on providing electronic statements?	National Policy 11-201 *Electronic Delivery of Documents* provides guidance to securities industry participants who want to use electronic delivery to satisfy any applicable delivery requirements in securities legislation. Monthly and/or quarterly statements, as applicable can be delivered electronically. All of the content required under section 14.14 and, where applicable, section 14.14.1 must be provided at the required intervals. However, if a firm chooses to provide electronic access to account

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
		information on a more frequent basis than required in sections 14.14 and 14.14.1, that supplementary access does not have to conform with the requirements of those sections.
19.	How do the account statement and additional statement requirements in sections 14.14 and 14.14.1 apply where a registered firm does not (a) hold or control a client's securities, nor (b) meet criteria set out in subsection 14.14.1(1)?	Under subsection 14.14(4), the registrant will be required to provide the client with an account statement that sets out transaction information for the reporting period in which a transaction occurred. The account position information required under subsection 14.14(5) will not be required. There will be no requirement to provide an additional statement under section 14.14.1.
20.	If securities are transferred to a managed account for passive holding, is the PM responsible for reporting on these "legacy" securities?	Yes, if securities are in an account managed by a PM, that PM is responsible for reporting on them.
21.	If a security is redeemable at a discount to market value (e.g., "95% of net asset value if sold within 2 years"), should this security be shown as subject to a deferred sales charge under paragraphs 14.14(5)(g) and 14.14.1(2)(h)?	Yes. It is a deferred sales charge in substance: a contingent cost that the client should be reminded to bear in mind before making a decision to sell the position.
22.	Can an account statement or additional statement cover more than one account?	No. There is no provision for consolidated statements in section 14.14 or 14.14.1. A registered dealer or registered adviser must provide every client with an applicable statement for each of their accounts. Registered firms may provide supplementary reporting that they think their client might find useful. For example, a firm might provide a consolidated year-end statement where a client has requested a consolidated performance report under subsection 14.18(4).
23.	If a client's assets are held at a third party custodian, must account statements or additional statements that a registered firm delivers to the client include cash that is held for the client by the custodian?	Yes. The requirements in sections 14.14 and 14.14.1 apply in respect of cash and securities that are in the client's account with a registered firm or traded through the account. The use of a third party custodian has no effect in this regard.
24.	What should be disclosed in an additional statement about the party that holds the securities?	The disclosure must provide sufficient information for the client to be able to identify the party that holds their securities. A custodian must be named (e.g., "X is the custodian that holds these securities as nominee for you"). A more general statement concerning securities held in the client's name at an issuer is acceptable, since the name of an issuer is evident (e.g., "These securities are registered in your name at the fund company / the company that issued them.")
14.14.2 Position cost information		
25.	How should short positions be reported?	If using book cost, a short security position should be reported as the total amount received for the security, net of any transaction charges related to the sale, adjusted for any distributions (other than dividends), returns of

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
		capital and corporate reorganizations. If using original cost, a short security position should be reported as the total amount received for the security, net of any transaction charges related to the sale.
26.	Does “within 10 days after” in paragraph 14.14.2(4)(c) mean within 10 business days or 10 calendar days?	References to “days” in the CRM2 Amendments are to calendar days.
27.	Can a firm adjust position cost to align it with tax cost or otherwise provide a value that reflects tax cost instead of position cost?	No. A firm must provide position cost using either original cost or book cost as defined in section 1.1. If a firm also wishes to provide tax cost information in addition to position cost, it may do so, so long as the differences are made clear to the client.
28.	Can the position cost of flow-through shares be reduced down to zero following the allocation of gains and losses for tax purposes (assuming book cost is used, rather than original cost)?	No. Book cost for CRM2 reporting is as defined in section 1.1 and is not intended to be tax cost. Therefore, the allocation of gains and losses in a flow-through (as vs. actual distributions) is not factored into the book cost of a position.
29.	In determining position cost for transferred securities, can a registered firm rely on position cost information provided by the transferring firm?	Yes, if • the transferring-out firm is also subject to the requirement to provide individual position cost information to clients, and • the transferring-in firm has no reason to believe the information is not reliable.
30.	Can a firm use one of book or original cost for some positions, and market value for other positions on the same statement?	Yes. You must identify which method is used for each security position. Subparagraphs 14.14.2(2)(a)(ii) and (b)(ii) set out the circumstances in which it is acceptable to use market value instead of using original or book cost.
31.	How should position cost be determined if a security position is built up with successive purchases, and original or book cost is available for some purchases but market value has also been used?	An average can be used to determine the cost of the position. The average may include cost information based on either or both of (a) the book cost or original cost determined in accordance with the definitions of those terms in section 1.1, and (b) market value used where section 14.14.2 contemplates it (where a security position was opened before the transition to CRM2 or was transferred into the account). The disclosure applicable where market value is used should be modified as may be necessary. For example: “The cost of this security position has been determined using an average of market value as of the date on which some securities were transferred into your account when it was opened, and the book cost of securities that we subsequently purchased for your account.” It is also permissible to differentiate between positions in the same security, reporting (a) and (b) above separately, instead of averaging them into a single number. This alternative approach has the potential to confuse clients. Clear explanatory notations should be provided if it is used.

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
32.	Is it necessary to indicate which security positions have been valued using market value rather than original cost or book cost, or is it acceptable to provide blanket disclosure along the lines of "where book/original was unavailable, we used…"?	Reporting is per security position and so you do need to indicate what method was used to determine its cost. A client statement might have an asterisk that indicates each position that was valued at book, and another flag that indicates other positions where "because book cost information was unavailable, we have used market value information as of the transfer date as the position cost" or similar disclosure. When an average of book or original cost and market value is used to determine the cost of a position, the disclosure should be modified as may be necessary.
33.	If client moves from one series of a fund that is organized as a trust to another series of the same fund (e.g., a deferred sales charge schedule is up and the investor is moved to a different series with either the same or a lower management fee), will the position cost change?	Position cost will not change unless there is a fee associated with the switch because the client is still invested in the same fund with the same portfolio of underlying investments.
34.	If a client moves from one fund to another fund within a "corporate class" fund structure (e.g., to execute a change in investment strategy), will the position cost change?	Yes, the position cost will change because the client is now invested in a different fund, with a different portfolio of underlying investments. The fact that there may not be a disposition for tax purposes is not relevant to this determination. See subsection 1.3(1) in both NI 81-102 *Investment Funds* and NI 81-106 *Investment Fund Continuous Disclosure*: "Each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund for purposes of this Instrument." The same analysis is applicable with respect to section 14.14.2.
14.15 Security holder statements		
35.	Is there any guidance regarding the requirement to send a statement for "orphaned accounts"?	The requirement for an IFM to send a security holder statement to an account without a dealer of record – an orphaned account – is not new. This is an accommodation of the temporary and very limited circumstance that arises where there ceases to be a registered dealer or adviser serving the client. See also the guidance in question 1 regarding when a client relationship has ended. The CRM2 Amendments in section 14.15 expand the existing requirements for the information that IFMs must send to security holders to include some of the information registered dealers and advisers will be required to deliver to their clients, such as position cost information.
14.17 Report on charges and other compensation		
36.	The requirement to provide an annual report on charges and other compensation comes into effect on July 15, 2016. For what period will the first annual report be required?	Firms may have various reporting cycles, on a calendar year basis or otherwise. If July 15, 2016 falls within the start and end dates of a 12-month period, an annual report will be required for that period. So if a firm reports or wishes to report on a calendar year basis, the first annual report will be required for a period from January 1, 2016 to December 31, 2016. If a firm reports or wishes to report for a period ending July 15, then the first annual reports will be required for the period beginning July 16, 2015.
37.	If there are no charges or other compensation to be disclosed, is a nil report still required to be delivered?	No, nil reports on charges and other compensation are not required.
38.	Are the charges levied within an investment fund held by an	No. We would expect this information to be disclosed as part of the relationship disclosure information delivered at account opening or when

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
	investor (e.g., management fees) included in operating charges? Do PMs who manage their clients' money through pooled funds have to "look through" to those fees?	the investment is made. However, a firm is not required to include the fund management fee in its annual report on charges and other compensation. The definition of operating charge is specific to the account and is not a product related fee. Operating charges (and transaction charges) include only charges paid to the registered firm by the client. Nonetheless, if such fees are a significant part of the PM's compensation model – say if a PM used in-house funds as the primary investment vehicle for its clients and took much of its compensation in fund management fees instead of the traditional fee based on clients' assets under management – we would expect that the firm would communicate to its clients about the way it is being compensated, consistent with the duty to deal fairly, honestly and in good faith with clients.
39.	If a client leaves the firm and transfers out in the middle of the year, does the firm have an obligation to send an annual report on charges and other compensation?	Once the client relationship has ended, there is no longer an obligation to send an annual report on charges and other compensation. We do, however, encourage firms to provide departing clients with information on charges and other compensation received during the year-to-date.
40.	Does the requirement to disclose the dollar amount of trailing commissions mean separate disclosures for the amount paid to the firm and the amount paid to the registered representative?	The report on charges and other compensation is at the firm level. This means the dollar amount of trailing commissions disclosed in the report is the total amount received in respect of the client's holdings. That amount is not broken down to show how much the firm retained and how much it passed on to the client's dealing or advising representative. The intention is that the client will see the aggregate amount of trailing commission that was generated by their account.
41.	How should typical mutual fund related charges other than trailing commissions be reported in the annual report on charges and other compensation?	If there is an up-front commission charged to the client by the registered dealer or adviser when the securities are purchased, it would be included in the amount reported under paragraph 14.17(1)(c). In the sample annual report in Appendix D of the CP, this appears under "Charges you paid directly to us ... Commissions on purchases of mutual funds with a sales charge". If there is a commission or other payment from the IFM or another party other than the client to the registered dealer or adviser when the securities are purchased, that payment is reported under paragraph 14.17(1)(g). In the sample annual report in Appendix D of the CP, this appears under "Compensation we received through third parties ... Commissions from mutual fund managers on purchases of mutual funds (see Note 1)". If, when the securities are sold by the client (i.e., redeemed back to the issuer), a deferred sales charge is triggered but no commission or other payment goes to the registered dealer or adviser, there is no requirement to include it in the annual report. If, when securities are sold by the client, a commission or other payment was received by the registered dealer or adviser, it would be reported under paragraph 14.17(1)(c) or (g), depending on whether it was paid by the client or another party. See also the guidance in question 3 regarding switch fees and short-term trading fees. If a registered dealer or adviser is concerned that clients might assume trailing commissions are charged directly to the client, we would have no objection to the firm including in its annual reports a clear explanation of the charges. For example, note 1 in the sample Report on Charges and Other Compensation in Appendix D of the CP could be expanded along the lines of the second paragraph in note 2.

FREQUENTLY ASKED QUESTIONS		
	QUESTION	**ANSWER**
42.	If a registered dealer or adviser receives referral fees in relation to registerable services to the client during a reporting period and the client has two or more accounts with the firm, how should the firm disclose the referral fees in the annual reports for the client's accounts?	If the referral fees relate only to one of the client's accounts, they would be included in the annual report for that account alone. If the referral fees relate to more than one of the client's accounts, we expect the firm to present disclosure information in a clear and meaningful manner. For example, the firm could report the full amount in the annual report for each account, or report a pro-rated amount in the annual report for each account, but in either case the firm should include an explanatory note so that the client will not be confused as to the total amount of the referral fees received by the firm during the period.
43.	How should rebated fees be reported?	The requirement is to report the full (i.e., gross) amount the client was charged by the registrant, rather than a reduced amount (i.e., the charge net of fees). However, a firm may choose to provide the net amount along with the gross amount, so long as it also includes an explanatory note. Firms paying rebates in respect of mutual fund-related charges should also refer to NI 81-105 *Mutual Fund Sales Practices*, section 7.1.
44.	What reporting is required if a firm receives payment from an issuer, IFM or PM of a fund based on a "high water mark" performance of a security it has traded to a client's account?	Regardless of what they are called and regardless of whether they are paid directly to the registered firm or as a shared portion of compensation paid to a PM of the fund, such payments are compensation for trading securities to investors and must therefore be included in the annual report on charges and other compensation pursuant to paragraph 14.17(1)(g).
45.	Does the requirement in paragraph 14.17(1)(a) to deliver a registered firm's current operating charges that might be applicable to the client's account mean that the firm must include the fees for every service the firm offers?	No. A firm may only include the fees for those of its services that it would reasonably expect the particular client to utilize in the coming 12-month period.
14.18 Investment performance report		
46.	The requirement to provide an annual investment performance report comes into effect on July 15, 2016. For what period will the first annual report be required?	Firms may have various reporting cycles, on a calendar year basis or otherwise. If July 15, 2016 falls within the start and end dates of a 12-month period, an annual report will be required for that period. So if a firm reports or wishes to report on a calendar year basis, the first annual reports will be required for a period from January 1, 2016 to December 31, 2016. If a firm reports or wishes to report for a period ending July 15, then the first annual reports will be required for the 12-month period beginning July 16, 2015.
14.19 Content of investment performance report		
47.	Can a registered firm send performance reports to its clients more frequently than once per year? If so, must all of its performance reports include all of the content prescribed for annual reports and be formatted in accordance with subsection 14.19(5)?	So long as a performance report that includes the prescribed content is delivered annually, firms are free to send more frequent reports. Such supplementary reports need not include the prescribed content and need not be formatted in accordance with subsection 14.19(5).
48.	If a firm chooses to provide percentage returns calculated using both money-weighted rate of return (MWRR) and time-weighted rate of return (TWRR) methods, what are the	The CRM2 Amendments do not prescribe periods, accounts or other specifications for the provision of additional percentage return information using TWRR. A firm may show returns using TWRR, as long as the firm also provides the return using MWRR in accordance with the requirements in section 14.19.

FREQUENTLY ASKED QUESTIONS		
QUESTION		**ANSWER**
	requirements for using TWRR?	In such cases, in addition to the general explanation in plain language of what the MWRR calculation method takes into account required under paragraph 14.19(1)(j), the firm should similarly explain the TWRR calculation method in plain language and help clients understand the difference between the two sets of performance returns.
49.	Will the CSA publish an approved formula to calculate MWRR?	No. There are different ways of calculating MWRR and the requirement is that firms use a method that is generally accepted in the securities industry. The CSA does not prescribe any method in particular because standards evolve over time. Approximation methods such as Modified Dietz are not acceptable. Approximations can produce misleading results compared to MWRR and advances in computing capability make it unnecessary to use them.
50.	Is the XIRR function in Microsoft Excel acceptable for MWRR calculations?	Yes. A registered firm may provide performance reports calculated with the XIRR function of Microsoft Excel. Firms should be aware that some versions of this software may have defects that affect these calculations. It is the responsibility of the firm to ensure that the calculation by the XIRR function of Microsoft Excel is being performed correctly.
14.20 Delivery of report on charges and other compensation and investment performance report		
51.	Does “within 10 days after” in paragraph 14.20(1)(c) mean within 10 business days or 10 calendar days?	References to “days” in the CRM2 Amendments are to calendar days.

Questions

If you have questions regarding this notice, please refer them to any of the following:

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1.1.2 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of March 31, 2016 has been posted to the OSC Website at www.osc.gov.on.ca.

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status
	None	

New Instruments

Instrument	Title	Status
21-316	Information Processor for Corporate Debt Securities	***Published January 7, 2016***
45-106	Prospectus Exemptions – Amendments	***Ministerial approval published January 7, 2016***
11-742	Securities Advisory Committee (Revised)	***Ministerial approval published January 7, 2016***
52-107	Acceptable Accounting Principles and Auditing Standards – Amendments	***Ministerial approval published January 7, 2016***
45-102	Resale of Securities – Amendments	***Ministerial approval published January 7, 2016***
11-203	Process for Exempt Relief Applications in Multiple Jurisdictions - Amendments	***Commission approval published January 7, 2016***
11-501	Electronic Delivery of Documents to the Ontario Securities Commission – Amendments	***Ministerial approval published January 7, 2016***
13-502	Fees – Amendments	***Ministerial approval published January 7, 2016***
45-501	Ontario Prospectus and Registration Exemptions – Amendments	***Ministerial approval published January 7, 2016***
11-739	Policy Reformulation – Table of Concordance and List of New Instruments – Revised	***Published January 14, 2016***
52-306	Non-GAAP Financial Measures – Revised	***Published January 14, 2016***
45-108	Crowdfunding	***Ministerial approval published January 14, 2016***
11-501	Electronic Delivery of Documents to the Ontario Securities Commission – Amendments	***Ministerial approval published January 14, 2016***
45-501	Ontario Prospectus and Registration Exemptions – Amendments	***Ministerial approval published January 14, 2016***

New Instruments

Instrument	Title	Status
94-102	Derivatives Customer Clearing and Protection of Customer Collateral and Positions	***Published for comment January 21, 2016***
45-314	Updated List of Current CSA Exempt Market Initiatives (Revised)	***Published January 28, 2016***
81-729	Summary Report for Investment Fund and Structured Product Issuers	***Published February 18, 2016***
51-726	Report on Staff's Review of Insider Reporting and User Guides for Insiders and Issuers	***Published February 18, 2016***
24-102	Clearing Agency Requirements	***Ministerial approval published February 18, 2016***
94-101	Mandatory Central Counterparty Clearing of Derivatives and Proposed Companion Policy CP Mandatory Central Counterparty Clearing of Derivatives	***Published for comment February 25, 2016***
43-101CP	Standards of Disclosure for Mineral Projects - Amendments	***Published February 25, 2016***
62-104	Take-Over Bids and Issuer Bids – Amendments	***Commission approval published February 25, 2016***
62-203	Take-Over Bids and Issuer Bids - Amendments	***Commission approval published February 25, 2016***
11-102	Passport System – Amendments	***Commission approval published February 25, 2016***
13-102	System Fees for SEDAR and NRD – Amendments	***Commission approval published February 25, 2016***
43-101	Standards of Disclosure for Mineral Projects – Amendments	***Commission approval published February 25, 2016***
55-104CP	Insider Reporting Requirements and Exemptions – Amendments	***Commission approval published February 25, 2016***
61-101	Protection of Minority Security Holders in Special Transactions – Amendments	***Commission approval published February 25, 2016***
61-101CP	Protection of Minority Security Holders in Special Transactions	***Commission approval published February 25, 2016***
62-103	The Early Warning System and Related Take-Over Bid and Insider Reporting Issues – Amendments	***Commission approval published February 25, 2016***
62-504	Take-Over Bids and issuer Bids – Repeal	***Commission approval published February 25, 2016***
13-502	Fees – Amendments	***Commission approval published February 25, 2016***
14-501	Definitions – Amendments	***Commission approval published February 25, 2016***
48-501	Trading During Distributions, Formal Bids and Share Exchange Transactions – Amendments	***Commission approval published February 25, 2016***
71-801	Implementing the Multijurisdictional Disclosure System – Amendments	***Commission approval published February 25, 2016***

New Instruments

Instrument	Title	Status
71-802	Implementing National Instrument 71-103 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers – Amendments	***Commission approval published February 25, 2016***
91-502	Trades in Recognized Options – Amendments	***Commission approval published February 25, 2016***
11-206	Process for Cease to be a Reporting Issuer Applications	***Commission approval published March 3, 2016***
11-207	Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions	***Commission approval published March 3, 2016***
12-202	Revocation of Certain Cease Trade Orders (replacing current NP 12-202)	***Commission approval published March 3, 2016***
12-203	Management Cease Trader Orders (replacing current NP 12-203)	***Commission approval published March 3, 2016***
11-774	Statement of Priorities – Request for Comments Regarding Statement of Priorities for Financial Year to End March 31, 2017	***Published for comment March 10, 2016***
54-304	Final Report on Review of the Proxy Voting Infrastructure and Request for Comments on Proposed Meeting Vote Reconciliation Protocols	***Published for comment March 31, 2016***

For further information, contact:
Darlene Watson
Project Specialist
Ontario Securities Commission
416-593-8148

April 14, 2016

1.2 Notices of Hearing

1.2.1 7997698 Canada 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
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

NOTICE OF HEARING
(Sections 127 and 127.1 of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., c. S.5, as amended (the "Act"), at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on April 11, 2016 at 9:30 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement dated April 7, 2016 between Staff of the Commission ("Staff") and 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, and WIC (ON), John Lee also known as Chin Lee, and Mary Huang also known as Ning-Sheng Mary Huang pursuant to sections 127 and 127.1 of the Act, and make such other order as the Commission may consider appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated March 11, 2015 and such additional allegations as counsel may advise and the Commission may permit;

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

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

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

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

DATED at Toronto, this 8th day of April, 2016.

"Josée Turcotte"
Secretary to the Commission

1.5 Notices from the Office of the Secretary

1.5.1 Quadrexx Hedge Capital Management Ltd. et al.

FOR IMMEDIATE RELEASE
April 6, 2016

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

AND

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

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

(a) Oral closing submissions in respect of the merits hearing shall take place on May 26 and 27, 2016 at 10:00 a.m., or on such other dates as the parties may arrange with the Secretary's office; and

(b) The May 30, 2016 date originally scheduled for the oral closing submissions in respect of the merits hearing is vacated.

A copy of the Order dated April 4, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Shaun Gerard McErlean

FOR IMMEDIATE RELEASE
April 8, 2016

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

AND

IN THE MATTER OF
SHAUN GERARD MCERLEAN

AND

IN THE MATTER OF
A HEARING AND REVIEW OF A DECISION OF
A HEARING PANEL OF THE INVESTMENT INDUSTRY
REGULATORY ORGANIZATION OF CANADA
DATED OCTOBER 31, 2011

TORONTO – The Commission issued an Order in the above named matter which provides that McErlean's application for a hearing and review of the IIROC Decision be and is hereby dismissed.

A copy of the Order dated April 7, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

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1-877-785-1555 (Toll Free)

1.5.3 7997698 Canada Inc. et al.

FOR IMMEDIATE RELEASE
April 8, 2016

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

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON), John Lee also known as Chin Lee, and Mary Huang also known as Ning-Sheng Mary Huang.

The hearing will be held on April 11, 2016 at 9:30 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 8, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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

1.5.4 7997698 Canada Inc. et al.

FOR IMMEDIATE RELEASE
April 11, 2016

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

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND 7
997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON), John Lee also known as Chin Lee, and Mary Huang also known as Ning-Sheng Mary Huang.

A copy of the Order dated April 11, 2016 and the Settlement Agreement dated April 7, 2016 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

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1.5.5 7997698 Canada Inc. et al.

FOR IMMEDIATE RELEASE
April 12, 2016

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

AND

IN THE MATTER OF
7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC., WORLD INCUBATION CENTRE, or WIC (ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG

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

1. the dates for the hearing on the merits scheduled to commence on April 12, 2016 and continue on April 13, 14, 15, 25, 26, 27, 28, 29 and May 2, 2016 are vacated.

A copy of the Order dated April 11, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.6 Future Solar Developments Inc. et al.

FOR IMMEDIATE RELEASE
April 12, 2016

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing date set for April 12, 2016 is vacated.

A copy of the Order dated April 11, 2016 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Sphere Investment Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to exchange traded mutual funds for initial and continuous distribution of units – relief to permit funds' prospectus to include a modified statement of investor rights – relief to permit funds' prospectus to not include an underwriter's certificate – relief from take-over bid requirements for normal course purchases of units on the Toronto Stock Exchange – prospectus form and underwriting certificate relief granted subject to manager filing a prescribed summary document for each fund on SEDAR and other terms and conditions set out in decision document and subject to sunset clause tied to the implementation of proposed amendments to create new ETF Facts document to replace summary document – Securities Act (Ontario) and National Instrument 41-101 – General Prospectus Requirements.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1), 71(1), 95-100, 104(2)(c), 147.

April 1, 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
SPHERE INVESTMENT MANAGEMENT INC.
(the Filer)

AND
SPHERE FTSE CANADA SUSTAINABLE YIELD INDEX ETF,
SPHERE FTSE US SUSTAINABLE YIELD INDEX ETF,
SPHERE FTSE EUROPE SUSTAINABLE YIELD INDEX ETF,
SPHERE FTSE ASIA SUSTAINABLE YIELD INDEX ETF,
SPHERE FTSE EMERGING MARKETS SUSTAINABLE YIELD INDEX ETF
(the Proposed ETFs)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Proposed ETFs and any additional exchange-traded mutual funds (the **Future ETFs**, and, together with the Proposed ETFs, the **ETFs** and individually, an **ETF**) established in the future of which the Filer, or an affiliate of the Filer, may be the investment fund manager for a decision under the securities legislation of the principal regulator (the **Legislation**) for a decision (the **Exemption Sought**) that exempts each ETF Manager (as defined below) and each ETF from:

(a) the requirement to include a certificate of an underwriter in an ETF's prospectus (the **Underwriter's Certificate Requirement**);

(b) the requirement to include in an ETF's prospectus the statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in item 36.2 of Form 41-101F2 *Information Required in an Investment Fund Prospectus* (the **Prospectus Form Requirement**); and

(c) exempts all purchasers and holders of ETF Securities (as defined below) from the Take-over Bid Requirements (as defined below).

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 other provinces and territories of Canada other than the Jurisdiction (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units (as defined below) from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an exchange-traded fund, including an ETF Manager, authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more exchange-traded funds on a continuous basis from time to time.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an exchange-traded fund, including an ETF Manager, to perform certain duties in relation to an exchange-traded fund, including posting a liquid two-way market for the trading of the exchange-traded fund's listed securities on the TSX or another Marketplace.

ETF Facts means a prescribed summary disclosure document required pursuant to amendments to the Legislation made after the date of this decision, in respect of one or more classes or series of ETF Securities being distributed under a prospectus.

ETF Manager means the Filer or an affiliate of the Filer that is duly registered to act as an investment fund manager for an ETF.

ETF Security means a listed security of an ETF.

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the ETF Manager and that has received relief under a Prospectus Delivery Decision.

Marketplace means a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation*, in Canada.

Prospectus Delivery Decision means a decision granting relief from the Prospectus Delivery Requirement to a Designated Broker, Authorized Dealer, Affiliate Dealer or Other Dealer dated July 19, 2013 or any subsequent decision granting similar relief to a Designated Broker, Authorized Dealer, Affiliate Dealer or Other Dealer and in each case, that is in effect at the relevant time.

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Summary Document means a document, in respect of one or more classes or series of ETF Securities being distributed under a prospectus, prepared in accordance with Appendix A.

Take-over Bid Requirements means the requirements of the Legislation relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in the Jurisdiction.

TSX means the Toronto Stock Exchange or any future successor exchange to the TSX.

Unitholders means beneficial or registered holders of ETF Securities, as applicable.

Representations

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

1. The Filer is a corporation established under the laws of the Province of Ontario, with its head office located at 161 Bay Street, 28th Floor, Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, as an exempt market dealer in Ontario, Quebec and Alberta, and as a portfolio manager in Ontario.

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

4. The Proposed ETFs will be mutual fund trusts governed by the laws of the Province of Ontario and will be reporting issuers under the laws of the Jurisdictions. The Future ETFs will be either mutual fund trusts or mutual fund corporations governed by the laws of a Jurisdiction or Canada and will be reporting issuers under the laws of one or more of the Jurisdictions.

5. An ETF Manager will be the investment fund manager of the ETFs. In the case of each ETF, the portfolio manager shall be the Filer or another entity duly registered as a portfolio manager in the relevant Jurisdiction.

6. The Filer has filed, on behalf of the Proposed ETFs, and the applicable ETF Manager will file on behalf of the Future ETFs, a long form prospectus prepared in accordance with National Instrument 41-101 *General Prospectus Requirements* subject to any exemptions that may be granted by the applicable securities regulatory authorities.

7. The Proposed ETFs will be listed on the TSX, and the ETF Securities of the Future ETFs will be listed on the TSX or another Marketplace.

8. The net asset value per ETF Security of each ETF will be calculated on any day when there is a trading session on the TSX or other Marketplace on which an ETF is listed and will be made available daily on the ETF Manager's website.

9. The ETFs will be subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**), subject to any exemptions from that Instrument that may be granted by the applicable securities regulatory authorities.

10. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. A prescribed number of ETF Securities may generally only be subscribed for or purchased directly from the ETFs by Authorized Dealers or Designated Brokers on any day when there is a trading session on the TSX or other Marketplace (a **Creation Unit**). Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace in Canada.

11. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units of an ETF, the ETF Manager or the ETF may, in the ETF Manager's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.

12. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.

13. According to Authorized Dealers and Designated Brokers, Creation Units will generally be commingled with other ETF Securities purchased by the Authorized Dealers, Designated Brokers and Affiliate Dealers in the secondary market. As such, it is not practicable for the Authorized Dealers, Designated Brokers or Affiliate Dealers to determine whether a particular re-sale of ETF Securities involves Creation Units or ETF Securities purchased in the secondary market.

14. Designated Brokers perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.

15. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from an ETF. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace in Canada. ETF Securities may also be issued directly to ETF investors upon the reinvestment of distributions of income or capital gains.

Exemption from Prospectus Form Requirement

16. The Filer understands that the securities regulatory authorities in Canada take the view that the first re-sale of a Creation Unit on the TSX or another Marketplace in Canada will generally constitute a distribution of Creation Units under the Legislation and that the Authorized Dealers, Designated Brokers and Affiliate Dealers are subject to the Prospectus Delivery Requirement in connection with such re-sales. Re-sales of ETF Securities in the secondary market that are not Creation Units would not ordinarily constitute a distribution of such ETF Securities.

17. Under a Prospectus Delivery Decision, Authorized Dealers, Designated Brokers and Affiliate Dealers are exempt from the Prospectus Delivery Requirement in connection with the re-sale of Creation Units to investors on the TSX or another Marketplace in Canada. Under a Prospectus Delivery Decision, Other Dealers are also exempt from the Prospectus Delivery Requirement in connection with the re-sale of creation units of other exchange-traded funds that are not managed by the ETF Manager.

18. Each Prospectus Delivery Decision includes a condition that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer undertakes that it will, unless it has previously done so, send or deliver to each purchaser of an ETF Security who is a customer of the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer, and to whom a trade confirmation is required under the applicable securities legislation to be sent or delivered by the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer in connection with the purchase, the latest Summary Document filed in respect of the ETF Security, not later than midnight on the second day, exclusive of Saturdays, Sundays and holidays, after the purchase of the ETF Security.

19. The ETF Manager will prepare and file with the applicable Jurisdictions on the System for Electronic Document Analysis and Retrieval (**SEDAR**) a Summary Document for each class or series of ETF Securities and will make available to the applicable Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers the requisite number of copies of the Summary Document for the purpose of facilitating their compliance with the Prospectus Delivery Decision within the timeframe necessary to allow Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers to effect delivery of the Summary Document as contemplated in the Prospectus Delivery Decision.

20. The Exemption Sought from the Prospectus Form Requirement is required to reflect the relief provided in the Prospectus Delivery Decision. Accordingly, the ETF Manager will include language in each ETF's prospectus explaining the impact on a purchaser's statutory rights as a result of the Prospectus Delivery Decision in replacement of the language prescribed by the Prospectus Form Requirement.

Exemption from Underwriters' Certificate Requirement

21. Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.

22. The ETF Manager will generally conduct its own marketing, advertising and promotion of the ETFs.

23. Authorized Dealers and Designated Brokers will not be involved in the preparation of an ETF's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the ETFs or the ETF Manager in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.

24. The ETF Manager, on behalf of the ETFs, may enter into agreements with various Authorized Dealers (that may or may not be Designated Brokers) pursuant to which the Authorized Dealers may subscribe for ETF Securities of one or more ETFs. However, as noted above, no Designated Broker or Authorized Dealer would be involved in the preparation of the ETFs' prospectus and no Designated Broker or Authorized Dealer would perform any review or any independent due diligence of the contents of the ETFs' prospectus. In addition, neither the ETF Manager nor the ETFs

will pay any fees or commissions to the Designated Brokers and Authorized Dealers. As the Designated Brokers and Authorized Dealers will not receive any remuneration in connection with distributing ETF Securities and as the Authorized Dealers will change from time to time, it is not practical to provide an underwriters' certificate in the prospectus of the ETFs.

Exemption from Take-Over Bid Requirements

25. Although ETF Securities of an ETF will trade on the TSX or other Marketplace and the acquisition of ETF Securities can therefore be subject to the Take-over Bid Requirements:

    (a) it will be difficult for purchasers of ETF Securities of an ETF to monitor compliance with Take-over Bid Requirements because the number of outstanding ETF Securities will always be in flux as a result of the ongoing issuance and redemption of ETF Securities by the ETF; and

    (b) the way in which ETF Securities of an ETF will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding ETF Securities because pricing for each ETF Security will generally reflect the net asset value of the ETF Securities of the ETF.

26. The application of the Take-over Bid Requirements to the ETFs would have an adverse impact upon the liquidity of the ETF Securities, because they could cause Designated Brokers and other large Unitholders to cease trading ETF Securities once prescribed take-over bid thresholds are met. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the ETFs.

Generally

27. The securities regulatory authorities are developing proposed rule amendments that will require the ETF Manager to file an ETF Facts on behalf of an ETF in connection with the filing of a prospectus. If the amendments are adopted, the requirement to file an ETF Facts will supersede the requirement to file a Summary Document under this decision. Since the introduction of the ETF Facts will likely be subject to a transition period, there may be a period of time where some ETFs have an ETF Facts while others have a Summary Document. If the ETF Manager files an ETF Facts with respect to a class or series of ETF Securities, the ETF Manager will use such ETF Facts instead of a Summary Document to satisfy its obligations under this decision with respect to any purchase in such class or series of ETF Securities that occurs after the filing of such ETF Facts.

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.

1. The decision of the principal regulator under the Legislation is that the Exemption Sought in respect of the Underwriter's Certificate Requirement and Prospectus Form Requirement is granted, provided that each ETF Manager will be in compliance with the following conditions:

    (a) the ETF Manager files with the applicable Jurisdictions on SEDAR the Summary Document for each class or series of ETF Securities when filing a final prospectus for that ETF;

    (b) the ETF Manager displays on its website in a manner that would be considered prominent to a reasonable investor the Summary Document for each class or series of ETF Securities for each ETF;

    (c) the ETF Manager amends the Summary Document at the same time it files any amendments to the ETF's prospectus that affect the disclosure in the Summary Document and files the amended Summary Document with the applicable Jurisdictions on SEDAR and makes it available on its website in a manner that would be considered prominent to a reasonable investor;

    (d) the ETF Manager provides or makes available to each Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer, the number of copies of the Summary Document of each ETF Security that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer reasonably requests in support of compliance with its respective Prospectus Delivery Decision;

    (e) each ETF's prospectus:

        (i) incorporates the relevant Summary Document by reference;

(ii) contains the disclosure referred to in paragraph 20 above; and

(iii) discloses both this decision and the Prospectus Delivery Decisions under Item 34.1 of Form 41-101F2 *Exemptions and Approvals*;

(f) the ETF Manager obtains an executed acknowledgement from each Authorized Dealer, Designated Broker and Affiliate Dealer, and uses its best efforts to obtain an acknowledgment from each Other Dealer:

(i) indicating its election, in connection with the re-sale of Creation Units on the TSX or another Marketplace in Canada, to send or deliver the Summary Document in accordance with a Prospectus Delivery Decision or, alternatively, to comply with the Prospectus Delivery Requirement; and

(ii) if the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer agrees to deliver the Summary Document in accordance with a Prospectus Delivery Decision:

(1) an undertaking that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer will attach or bind one ETF's Summary Document with another ETF's Summary Document only if the documents are being sent or delivered under the Prospectus Delivery Decision at the same time to an investor purchasing ETF Securities of each such ETF; and

(2) confirming that the Authorized Dealer, Designated Broker, Affiliate Dealer or Other Dealer has in place written policies and procedures to ensure that it is in compliance with the conditions of the Prospectus Delivery Decision;

(g) the ETF Manager will keep records of which Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers have provided it with an acknowledgement under a Prospectus Delivery Decision and which intend to rely on and comply with the Prospectus Delivery Decision or intend to comply with the Prospectus Delivery Requirement;

(h) the ETF Manager files with its principal regulator, to the attention of the Director, Investment Funds Branch, on or before January 31st in each calendar year, a certificate signed by its ultimate designated person certifying that, to the best of the knowledge of such person, after making due inquiry, the ETF Manager has complied with the terms and conditions of this decision during the previous calendar year;

(i) if the ETF Manager files an ETF Facts instead of a Summary Document with respect to a class or series of ETF Securities, the latest ETF Facts filed in respect of such class or series of ETF Securities must be substituted for a Summary Document in order to satisfy the foregoing conditions with respect to any purchase in such class or series of ETF Securities that occurs after the date of filing such ETF Facts;

(j) conditions (a), (b), (c) and (e)(i) above do not apply to the Exemption Sought with respect to a class or series of an ETF Security if the ETF Manager files an ETF Facts for such class or series of the ETF Security; and

(k) conditions (d), (e)(ii), (e)(iii), (f), (g) and (h) above do not apply to the Exemption Sought after any new legislation or rule dealing with the Prospectus Delivery Decision takes effect and any applicable transition period has expired.

2. The decision of the principal regulator is that the Exemption Sought in respect of the Take-over Bid Requirements is granted.

The Exemption Sought from the Prospectus Form Requirement as it relates to one or more of the Jurisdictions will terminate on the latest of (i) the coming into force of any legislation or rule dealing with the Exemption Sought from the Prospectus Form Requirement or (ii) the end date of any applicable transition period for any legislation or rule dealing with the Exemption Sought from the Prospectus Form Requirement.

As to the Exemption Sought from the Underwriter's Certificate Requirement and the Take-over Bid Requirements:

"Christopher Portner"
Commissioner
Ontario Securities Commission

"J.A. Leiper"
Commissioner
Ontario Securities Commission

As to the Exemption Sought from the Prospectus Form Requirement:

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

APPENDIX A

CONTENTS OF SUMMARY DOCUMENT GENERAL INSTRUCTIONS:

1. *Items 1 to 10 represent the minimum disclosure required in a Summary Document for a fund. The inclusion of additional information is not precluded so long as the Summary Document does not exceed a total of four pages in length (two pages double-sided).*

2. *Terms defined in National Instrument 81-102 Investment Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Summary Document have the meanings that they have in those national instruments.*

3. *Information in the Summary Document must be clear and concise and presented in plain language.*

4. *The format and presentation of information in the Summary Document is not prescribed but the information must be presented in a manner that assists in readability and comprehension.*

5. *The order of the Items outlined below is not prescribed, except for Items 1 and 2, which must be presented as the first 2 items in the Summary Document.*

6. *Each reference to a fund in this Appendix A refers to an ETF as defined in the decision above.*

ITEM 1 – INTRODUCTION

Include at the top of the first page a heading consisting of:

(a) the title “Summary Document”;

(b) the name of the manager of the fund;

(c) the name of the fund to which the Summary Document pertains; and

(d) the date of the document.

ITEM 2 – CAUTIONARY LANGUAGE

Include a statement in italics in substantially the following form:

“The following is a summary of the principal features of this fund. You can find more detailed information about the fund in the prospectus. The prospectus is available on [insert name of the manager of the fund] website at [insert manager of the fund website], or by contacting [insert name of the manager of the fund] at [insert manager of the fund’s email address], or by calling [insert telephone number of the manager of the fund].”

ITEM 3 – FUND DETAILS

Include the following disclosure:

(a) ticker symbol;

(b) fund identification code(s);

(c) index ticker (as applicable);

(d) exchange;

(e) currency;

(f) Inception date;

(g) RSP eligibility;

(h) DRIP eligibility;

(i) expected frequency and timing of distributions, and if applicable, the targeted amount for distributions;

(j) management expense ratio, if available; and

(k) portfolio manager, when the fund is actively managed.

ITEM 4 – INVESTMENT OBJECTIVES

Include a description of the fundamental nature of the fund, or the fundamental features of the fund that distinguishes it from other funds.

INSTRUCTIONS:

Include a description of what the fund primarily invests in, or intends to primarily invest in, such as:

(a) a description of the fund, including what the fund invests in, and if it is trying to replicate an index, the name of the index, and an overview of the nature of securities covered by the index or the purpose of the index; and

(b) the key investment strategies of the fund.

ITEM 5 – INVESTMENTS OF THE FUND

1. Include a table disclosing:

(a) the top 10 positions held by the fund; and

(b) the percentage of net asset value of the fund represented by the top 10 positions.

2. Include at least one, and up to two, charts or tables that illustrate the investment mix of the fund's investment portfolio.

INSTRUCTIONS:

(a) The information required under this Item is intended to give a snapshot of the composition of the fund's investment portfolio. The information required to be disclosed under this Item must be as at a date within 60 days before the date of the Summary Document.

(b) The information required under Item 5(2) must show a breakdown of the fund's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the fund constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The fund should use the most appropriate categories given the nature of the fund. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the fund's MRFP.

(c) For new funds where the information required to be disclosed under this Item is not available, provide a brief statement explaining why the required information is not available.

ITEM 6 – RISK

1. Include a statement in italics in substantially the following form:

"All investments involve risk. When you invest in the fund the value of your investment can go down as well as up. For a description of the specific risks of this fund, see the fund's prospectus."

2. If the cover page of the fund's prospectus contains text box risk disclosure, also include a description of those risk factors in the Summary Document.

ITEM 7 – FUND EXPENSES

1. Include an introduction using wording similar to the following:

"You don't pay these expenses directly. They affect you because they reduce the fund's returns."

2. Provide information about the expenses of the fund in the form of the following table:

	Annual rate (as a % of the fund's value)
Management expense ratio (MER) This is the total of the fund's management fee and operating expenses.	
Trading expense ratio (TER) These are the fund's trading costs.	
Fund expenses The amount included for fund expenses is the amount arrived at by adding the MER and the TER.	

3. If the information in (2) is unavailable because the fund is new including wording similar to the following:

   "The fund's expenses are made up of the management fee, operating expenses and trading costs. The fund's annual management fee is [*]% of the fund's value. Because this fund is new, its operating expenses and trading costs are not yet available."

INSTRUCTIONS:

Use a bold font or other formatting to indicate that fund expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the fund.

ITEM 8 – TRAILING COMMISSIONS

1. If the manager of the fund or another member of the fund's organization pays trailing commissions, include a brief description of these commissions.

2. The description of any trailing commission must include a statement in substantially the following words:

   "The trailing commission is paid out of the management fee. The trailing commission is paid for as long as you own the fund."

ITEM 9 – OTHER FEES

1. Provide information about the amount of fees payable by an investor, other than those already described or payable by designated brokers and underwriters.

2. Include a statement using wording similar to the following:

   "You may pay brokerage fees to your dealer when you purchase and sell units of the fund."

INSTRUCTIONS:

(a) Examples include any redemption charges, sales charges or other fees, if any, associated with buying and selling securities of the fund.

(b) Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee.

ITEM 10 – STATEMENT OF RIGHTS

State in substantially the following words:

Under securities law in some provinces and territories, you have:

- *the right to cancel your purchase within 48 hours after you receive confirmation of the purchase, or*

- *other rights and remedies if this document or the fund's prospectus contains a misrepresentation. You must act within the time limit set by the securities law in your province or territory.*

For more information, see the securities law of your province or territory or ask a lawyer.

ITEM 11 – PAST PERFORMANCE

If the fund includes past performance:

1. Include an introduction using wording similar to the following:

   This section tells you how the fund has performed over the past [insert the lesser of 10 years or the number of completed calendar years] years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

   It's important to note that this doesn't tell you how the fund will perform in the future as past performance may not be repeated. Also, your actual after-tax return will depend on your personal tax situation.

2. Show the annual total return of the fund, in chronological order for the lesser of:

   (a) each of the 10 most recently completed calendar years; and

   (b) each of the completed calendar years in which the fund has been in existence and which the fund was a reporting issuer.

3. Show the:

   (a) final value, of a hypothetical $1,000 investment in the fund as at the end of the period that ends within 60 days before the date of the Summary Document and consists of the lesser of:

      (i) 10 years, or

      (ii) the time since inception of the fund,

      and

   (b) the annual compounded rate of return that would equate the initial $1,000 investment to the final value.

INSTRUCTIONS:

In responding to the requirements of this Item, a fund must comply with the relevant sections of Part 15 of National Instrument 81-102 Investment Funds as if those sections applied to a Summary Document.

ITEM 12 – BENCHMARK INFORMATION

If the Summary Document includes benchmark information, ensure this information is consistent with the fund's MRFP and presented in the same format as Item 11.

2.1.2 RBC Global Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Relief granted to permit public mutual funds and pooled funds, and managed accounts to engage in principal trading in debt securities with certain related parties that are principal dealers in the Canadian debt securities market and/or an international debt securities market on terms which include compliance with market integrity requirements or equivalent transparency and trade reporting requirements which attach to international debt securities.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5(2)(b)(i), 15.1.
National Instrument 81-102 Investment Funds, ss. 4.2, 19.1.

April 4, 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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
THE NI 81-102 FUNDS, PRIVATE FUNDS AND MANAGED ACCOUNTS
(as defined below)

DECISION

Background

The principal regulator has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) granting exemptive relief from the following investment fund self-dealing restrictions (collectively, the **NI 81-102 Principal Trade Related Account Prohibition**) to permit certain related party transactions made by the Filer, or an affiliate of the Filer, on behalf of: (i) the existing mutual funds and any future mutual funds to which National Instrument 81-102 *Investment Funds* (**NI 81-102**) applies (each, a **NI 81-102 Fund** and, collectively, the **NI 81-102 Funds**) for which the Filer, or an affiliate of the Filer, acts as the investment fund manager and/or portfolio adviser; (ii) the existing mutual funds and any future mutual funds to which NI 81-102 does not apply (each, a **Private Fund** and, collectively, the **Private Funds**) for which the Filer, or an affiliate of the Filer, acts as the investment fund manager and/or portfolio adviser; and (iii) the discretionary managed accounts of clients (each, a **Managed Account** and, collectively, the **Managed Accounts**) for which the Filer, or an affiliate of the Filer, acts as the portfolio adviser:

(a) subsection 4.2(1) of NI 81-102, which prohibits an investment fund from purchasing a security from, or selling a security to, any of the following persons or companies:

(i) the manager, portfolio adviser or trustee of the investment fund;

(ii) a partner, director or officer of the investment fund or of the manager, portfolio adviser or trustee of the investment fund;

(iii) an associate or affiliate of a person or company referred to in paragraph (i) or (ii); and

(iv) a person or company, having fewer than 100 securityholders of record, of which a partner, director or officer of the investment fund or a partner, director or officer of the manager or portfolio adviser of the investment fund is a partner, director, officer or securityholder; and

if such persons or companies (each, a **Related Person** and collectively, the **Related Persons**) are acting as principal, in order to permit a NI 81-102 Fund to purchase from or sell to a Related Person that is a principal dealer (a **Principal Dealer**) in the Canadian debt securities market (**Canadian Debt Securities Market**) and/or an international debt securities market that exists outside of Canada (an **International Debt Securities Market**), debt securities of an issuer other than the federal or a provincial government of Canada, the federal or a state government of the United States of America, the government of another sovereign state or a permitted supranational agency (as defined in NI 81-102) (collectively, **Non-Government Debt Securities**) or debt securities issued or fully and unconditionally guaranteed by the federal or a provincial government of Canada, the federal or a state government of the United States of America, the government of another sovereign state or a permitted supranational agency (collectively, **Government Debt Securities**) in the secondary market; and

(b) clause 13.5(2)(b)(i) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) (the **NI 31-103 Principal Trade Related Account Prohibition**), which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security of any issuer from or to the investment portfolio of a responsible person (as defined in NI 31-103),

in order to permit a NI 81-102 Fund, a Private Fund or a Managed Account to purchase from or sell to a Related Person that is a Principal Dealer in the Canadian Debt Securities Market and/or an International Debt Securities Market, Non-Government Debt Securities or Government Debt Securities in the secondary market;

((a) and (b) are collectively, the **Exemptions Sought**).

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

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

(ii) 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, Yukon, Northwest Territories and Nunavut (the **Passport Jurisdictions**).

Interpretation

Terms defined in the securities legislation of Ontario and the Passport Jurisdictions, National Instrument 14-101 *Definitions*, NI 31-103, NI 81-102 or National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meanings in this decision. Certain other defined terms have the meanings given to them above or below under "Representations".

Representations

1. The Filer and each of the NI 81-102 Funds and the Private Funds are not in default of securities legislation in any of the provinces and territories of Canada (the **Jurisdictions**).

2. The Filer is an indirect wholly-owned subsidiary of the Royal Bank of Canada, a Schedule 1 Canadian chartered bank. The head office of the Filer is located in Toronto, Ontario.

3. The Filer is registered in each of the Jurisdictions as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer. The Filer is also registered in British Columbia, Ontario, Québec, and Newfoundland and Labrador in the category of investment fund manager. The Filer is also registered in Ontario in the category of commodity trading manager.

4. Each of the NI 81-102 Funds and the Private Funds is, or will be, a mutual fund established under the laws of the Province of Ontario or another Jurisdiction.

5. Each of the NI 81-102 Funds distributes, or will distribute, its securities in one or more of the Jurisdictions pursuant to a simplified prospectus or a long form prospectus prepared and filed in accordance with applicable securities legislation. Each of the NI 81-102 Funds is, or will be, a reporting issuer in one or more of the Jurisdictions.

6. Each of the Private Funds distributes, or will distribute, its securities in one or more of the Jurisdictions pursuant to available exemptions from the prospectus requirements under applicable securities legislation. None of the Private Funds is, or will be, a reporting issuer in the Jurisdictions.

7. The Filer, or an affiliate of the Filer, provides discretionary investment management services to the Managed Accounts of private clients and institutional groups such as corporate pension plans, foundations and endowments (collectively, **Clients**, each, a **Client**). Each of these Clients enters into a discretionary investment management agreement (**Discretionary Management Agreement**) with the Filer, or an affiliate of the Filer, which sets out the investment objective, strategies and restrictions applicable to the Managed Account.

8. No Managed Account Client will be a "responsible person", as defined in NI 31-103.

9. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or the portfolio adviser of each of the NI 81-102 Funds and the Private Funds, and the portfolio adviser of the Managed Accounts.

10. An independent review committee (the **IRC**) has been, or will be, established for the NI 81-102 Funds in accordance with the requirements of NI 81-107.

11. An IRC has been, or will be, established for the Private Funds that is composed in accordance with the requirements of section 3.7 of NI 81-107 and has complied, or will comply, with the standard of care set out in section 3.9 of NI 81-107, as if NI 81-107 applied to the Private Funds. The mandate of the IRC established, or to be established, for the Private Funds includes reviewing and approving purchases and sales of securities by the Private Funds with Related Persons.

12. The Filer has informed the IRC of the existing Funds and Private Funds of the Filer's intention to make the Application, and the IRC supports the making of the Application and the Filer's request for the Exemptions Sought.

13. Related Persons of the Filer, or an affiliate of the Filer, are Principal Dealers in the Canadian Debt Securities Market and/or an International Debt Securities Market, both primary and secondary.

14. The purchase or sale of debt securities by a NI 81-102 Fund from or to a Related Person in the secondary market is subject to the NI 81-102 Principal Trade Related Account Prohibition. The purchase or sale of debt securities by a NI 81-102 Fund, a Private Fund or a Managed Account from or to a Related Person in the secondary market is subject to the NI 31-103 Principal Trade Related Account Prohibition.

15. The NI 81-102 Funds, Private Funds and Managed Accounts previously obtained relief to permit them to purchase and sell debt securities to a Related Person that is a Principal Dealer in the Canadian Debt Securities Market. Such relief was granted by way of decisions dated October 31, 2007, November 1, 2007, April 25, 2008, April 28, 2008 and April 29, 2008 (the **Existing Related Person Purchase Relief**). The Existing Related Person Purchase Relief, however, did not contemplate principal trades specifically between an NI 81-102 Fund, Private Fund or Managed Account and a Related Person that is a Principal Dealer in an International Debt Securities Market.

16. The Filer is seeking to expand the Existing Related Person Purchase Relief so that a NI 81-102 Fund or a Private Fund for which the Filer, or an affiliate of the Filer, acts as the investment fund manager and/or portfolio adviser, or a Managed Account for which the Filer, or an affiliate of the Filer, acts as the portfolio adviser, may purchase from or sell to a Related Person that is a Principal Dealer in the Canadian Debt Securities Market and/or an International Debt Securities Market, Non-Government Debt Securities or Government Debt Securities. Further, the Filer is seeking to expand the Existing Related Person Purchase Relief so as to include a broader scope of securities that may be traded, on a principal basis, between a NI 81-102 Fund, Private Fund or Managed Account and a Related Person, for example, both Canadian debt securities and international debt securities. Accordingly, the Filer is seeking new relief, in the form of the Decision granting the Exemptions Sought, to reflect this expansion of the Existing Related Person Purchase Relief.

17. Should the Exemptions Sought be granted, the Filer, or its affiliate as appropriate, will no longer rely on the Existing Related Person Purchase Relief to the extent such relief contemplates principal trades in debt securities between an NI 81-102 Fund, a Private Fund or a Managed Account and Related Persons that are Principal Dealers in the Canadian Debt Securities Market.

18. Absent the Exemptions Sought, the NI 81-102 Funds, the Private Funds and the Managed Accounts cannot purchase from or sell to a Related Person that is a Principal Dealer in the Canadian Debt Securities Market and/or an

International Debt Securities Market, Non-Government Debt Securities or Government Debt Securities in the secondary market.

19. There is a limited supply of Non-Government Debt Securities and Government Debt Securities available to the NI 81-102 Funds, the Private Funds and the Managed Accounts in the Canadian Debt Securities Market and/or an International Debt Securities Market, and frequently the only source of Non-Government Debt Securities and Government Debt Securities for a NI 81-102 Fund, a Private Fund or a Managed Account is a Related Person.

20. Related Persons that act as Principal Dealer in International Debt Securities Markets are currently major or growing participants in the US, UK, European, Australian and Asian debt markets in various types of debt securities.

21. Related Persons that are Principal Dealers in the Canadian Debt Securities Market and/or an International Debt Securities Market do not influence the business judgement of the Filer, or its affiliate, in connection with the determination of the suitability of investments and information, and influence barriers are in place. Decisions made by the Filer as to which investments a NI 81-102 Fund, Private Fund or Managed Account should hold are based on the best interest of such Fund or Managed Account, without consideration given to the interest of the party with whom a purchase or sale is transacted. This principle is reflected in the policies and procedures that have been and will be implemented and approved by the IRC for dealing with related parties.

22. The IRC of the NI 81-102 Funds and the Private Funds will not approve purchases and sales of Non-Government Debt Securities or Government Debt Securities from or to a Related Person that is a Principal Dealer in the Canadian Debt Securities Market and/or an International Debt Securities Market in the secondary market, unless the IRC has made the determination set out in subsection 5.2(2) of NI 81-107 as if NI 81-107 applied to the Private Funds.

23. The NI 81-102 Funds, the Private Funds and the Managed Accounts require the Exemption Sought in order to pursue their investment objectives and strategies effectively.

24. The investment strategies of each of the NI 81-102 Funds, the Private Funds and the Managed Accounts that rely on the Exemptions Sought permit, or will permit, them to invest in securities purchased from Related Persons, either as a principal strategy in achieving its investment objective or as a temporary strategy, pending the purchase of other securities.

25. The Filer considers granting the Exemption Sought to not be prejudicial to the public interest, given that the decision to transact security purchases and sales with a Related Person that is a Principal Dealer in the Canadian Debt Securities Market and/or an International Debt Securities Market will be made in the best interests of the NI 81-102 Funds, Private Funds and Managed Accounts and free from the influence of such Related Person.

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 Exemptions Sought are granted, provided that:

(a) the purchase or sale is consistent with, or is necessary to meet, the investment objectives of each NI 81-102 Fund, Private Fund and Managed Account;

(b) the IRC of the NI 81-102 Funds and the Private Funds has approved the transaction in accordance with subsection 5.2(2) of NI 81-107 as if NI 81-107 applied to the Private Funds;

(c) the manager of the NI 81-102 Funds and the Private Funds complies with the conflict of interest matter requirements of section 5.1 of NI 81-107 as if NI 81-107 applied to the Private Funds;

(d) the manager and the IRC of the NI 81-102 Funds and the Private Funds complies with section 5.4 of NI 81-107 as if NI 81-107 applied to the Private Funds for any standing instructions the IRC provides in connection with the transactions;

(e) a purchase is not executed at a price which is higher than the available ask price of the security and a sale is not executed at a price which is lower than the available bid price of the security;

(f) the bid and ask price of the Non-Government Debt Security or the Government Debt Security is readily available, as provided in Commentary 7 to section 6.1 of NI 81-107;

(g) the purchase or sale is subject to "market integrity requirements" as defined in clause 6.1(1)(b) of NI 81-107 and any equivalent transparency and trade reporting requirements applicable to the purchase or sale of debt securities in International Debt Securities Markets;

(h) the NI 81-102 Funds and the Private Funds keep the written records required by clause 6.1(2)(g) of NI 81-107 as if NI 81-107 applied to the Private Funds; and

(i) if the transaction is by a Managed Account, the Discretionary Management Agreement or other documentation in respect of the Managed Account authorizes the transaction.

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

2.1.3 Brookfield Investment Management (Canada) Inc. and Brookfield New Horizons Income Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – investment fund manager obtaining relief from the requirement to obtain the approval of securityholders before changing the fundamental investment objective of a non-redeemable investment fund – relief required as a result of changes to tax law eliminating certain tax benefits associated with character conversion transactions – manager required to send written notice at least 30 days before the effective date of the change to the investment objective of the fund setting out the change, the reasons for such change and a statement that the funds will no longer distribute gains under forward contracts that are treated as capital gains for tax purposes – National Instrument 81-102 Investment Funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.1(1)(c), 19.1.

February 12, 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
BROOKFIELD INVESTMENT MANAGEMENT (CANADA) INC.
(the Filer)

AND

BROOKFIELD NEW HORIZONS INCOME FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for exemptive relief from the requirement to obtain prior securityholder approval before changing the fundamental investment objective of the Fund under subsection 5.1(1)(c) of National Instrument 81 102 – *Investment Funds* (**NI 81-102**) (the **Requested Relief**).

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

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

2. 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 of Canada (collectively with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, MI 11-102 and NI 81-102 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:

3. The Filer is the trustee, the manager and the portfolio manager of the Fund. The Filer is registered as an investment fund manager, a portfolio manager and an exempt market dealer under the *Securities Act* (Ontario) and the *Securities Act* (Québec). It is also a registered exempt market dealer and portfolio manager under the *Securities Act* (Alberta); *Securities Act* (British Columbia); *Securities Act* (Manitoba); *Securities Act* (New Brunswick); *Securities Act* (Nova Scotia); and *Securities Act* (Saskatchewan) as well as an investment fund manager under the *Securities Act* (Newfoundland and Labrador).

4. The head office of the Filer is located at Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario M5J 2T3.

5. The Fund is an investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust.

6. Neither the Filer nor the Fund is in default of securities legislation in any jurisdiction.

7. The Fund is a non-redeemable investment fund. Its units were qualified for distribution pursuant to a prospectus dated March 1, 2011 that was prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, the Fund is a reporting issuer or the equivalent in the Jurisdictions. The units of the Fund are listed and posted for trading on the Canadian Securities Exchange.

8. Under its current investment objective and strategies, the Fund is a party to a forward purchase and sale agreement (the **Forward Agreement**). The Forward Agreement provides the Fund with exposure to the returns of the securities (the **Portfolio**) of another investment fund, New Horizons Master Fund (the **Reference Fund**). The current investment objective of the Fund is as follows:

> *The Fund's investment objectives are: (i) to provide holders of units with tax advantaged quarterly cash distributions targeted at a rate of the average 10-Year Canadian Government Bond Yield plus 4.00%; and (ii) to preserve the net asset value of the Fund.*

9. The fundamental investment objective of the Reference Fund is as follows:

> *The Fund's investment objective is to preserve the net asset value of the Fund.*

10. Through the use of the Forward Agreement, the Fund provides tax-advantaged distributions to securityholders because the Fund will realize capital gains (or capital losses) on the disposition of securities acquired under the Forward Agreement, rather than ordinary income. Ordinary income is subject to taxation at a higher rate in Canada than capital gains.

11. The Forward Agreement is expected to expire and terminate on April 1, 2016 (the **Forward Expiry Date**).

12. The *Income Tax Act* (Canada) was amended in December 2013 to implement proposals that were first announced in the March 21, 2013 federal budget regarding the income tax treatment of character conversion transactions (the **Tax Changes**). Under the Tax Changes, the favourable tax treatment of character conversion transactions will be eliminated after a prescribed date (the **Effective Date**). The Effective Date for the Fund will be the Forward Expiry Date.

13. Due to the Tax Changes, the Forward Agreement would no longer be able to, over the long term, provide material tax efficiency to securityholders of the Fund.

14. The Filer has determined that, as a result of the Tax Changes, it would be more efficient and less costly for the Fund to seek to achieve its fundamental investment objective after the Effective Date by investing its assets directly in the same, or substantially the same, assets as those held by the Reference Fund.

15. The Filer wishes to amend the investment objectives of the Fund to remove all references to the use of the Forward Agreement to gain exposure to the Reference Fund, to delete references to "tax-advantaged" and to clarify that the Fund will invest directly in securities similar to those held by the Reference Fund.

16. Following such amendment, the revised investment objective of the Fund will be as follows:

The Fund's investment objectives are: (i) to provide holders of units with quarterly cash distributions targeted at a rate of the average 10-Year Canadian Government Bond Yield plus 4.00%; and (ii) to preserve the net asset value of the Fund.

17. The Filer will also make conforming changes to the investment strategies and investment restrictions of the Fund to reflect the Fund's direct investment in the Portfolio.

18. The Filer expects to effect an inter-fund transfer of the Portfolio assets of the Reference Fund to the Fund in accordance with applicable securities laws, or an exemption therefrom. The Reference Fund will be wound up as soon as practicable after the transfer of its Portfolio assets.

19. The Filer will comply with the material change report requirements set out in Part 11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* in connection with the Filer's decision to make the changes to the investment objectives of the Fund set out above.

20. The Filer has determined that it would be in the best interests of the Fund and not prejudicial to the public interest to receive the Requested Relief.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted, provided that, at least 30 days before the effective date of the change in the investment objectives of the Fund, the Filer will send to each securityholder of the Fund a written notice that sets out the change to the investment objective, the reasons for such change and a statement that the Fund will no longer distribute gains under forward contracts that are treated as capital gains for tax purposes.

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

2.1.4 Oncolytics Biotech Inc. and Canaccord Genuity Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into equity distribution agreement to make "at the market" (ATM) distributions of common shares over the facilities of the Toronto Stock Exchange (TSX) – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreement on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – standard certification by issuer does not work in an ATM distribution since no other supplement to be filed in connection with ATM distribution – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71, 147.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1 and Item 20 of Form 44-101F1.
National Instrument 44-102 Shelf Distributions, s. 6.7, Part 9, s 11.1, and s. 1.1 of Appendix A.

Citation: Re Oncolytics Biotech Inc., 2016 ABASC 21

January 27, 2016

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

AND

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

AND

IN THE MATTER OF
ONCOLYTICS BIOTECH INC.
(THE ISSUER)

AND

CANACCORD GENUITY CORP.
(THE AGENT AND, TOGETHER WITH THE ISSUER, THE FILERS)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for the following relief (the **Exemption Sought**):

(a) that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus), and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply

to the Agent or other registered investment dealer acting on behalf of the Agent as a selling agent (each a **Selling Agent**) in connection with any "at-the-market distribution" (as defined in National Instrument 44-102 *Shelf Distributions* (**NI 44-102**)) of common shares (**Common Shares**) of the Issuer pursuant to an equity distribution agreement (the **Equity Distribution Agreement**) to be entered into by the Issuer and the Agent (**ATM Distribution**);

(b) that the requirements to include the statements specified in subsections 5.5(2) and 5.5(3) of NI 44-102 in a base shelf prospectus, and the requirements to include in a prospectus supplement each of the following:

(i) a forward-looking issuer certificate in the form specified in section 2.1 of Appendix A to NI 44-102;

(ii) a forward-looking underwriter certificate in the form specified in section 2.2 of Appendix A to NI 44-102;

(iii) a statement respecting purchasers' statutory rights of withdrawal and remedies for rescission or damages in substantially the form prescribed by Item 20 of Form 44-101F1 *Short Form Prospectus*;

(collectively, the **Prospectus Form Requirements**)

do not apply to a prospectus of the Issuer (including the applicable prospectus supplement(s)) to be filed in respect of an ATM Distribution.

The Decision Makers have also received a request from the Filers for a decision that the Application and this decision (together, the **Confidential Material**) be kept confidential and not be made public until the earlier of: (i) the date on which the Filers enter into the Equity Distribution Agreement; (ii) the date any of the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (iii) the date that is 90 days after the date of this decision (the **Confidentiality Relief**).

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

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or 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 Filers:

The Issuer

1. The Issuer is a corporation incorporated under the *Business Corporations Act* (Alberta). The head office of the Issuer is located in Calgary, Alberta.

2. The Issuer is a reporting issuer in the provinces of British Columbia, Alberta, Manitoba, Ontario and Québec and is not in default of securities legislation in any jurisdiction of Canada.

3. The Common Shares are listed on the TSX and trade on the OTCQX Best Market.

The Agent

4. The Agent is a corporation continued under the laws of the Province of Ontario with its head office in Vancouver, British Columbia.

5. The Agent is registered as an investment dealer under the securities legislation of each of the provinces and territories of Canada, is a member of the Investment Industry Regulatory Organization of Canada, and is a participating organization of the TSX.

6. The Agent is not in default of securities legislation in any jurisdiction of Canada.

Proposed ATM Distribution

7. Subject to mutual agreement on terms and conditions, the Filers propose to enter into the Equity Distribution Agreement for the purpose of ATM Distributions involving the periodic sale of Common Shares by the Issuer through the Agent, as agent, under the base shelf prospectus procedures prescribed by Part 9 of NI 44-102.

8. Prior to making an ATM Distribution, the Issuer will have filed in each province and territory of Canada: (i) a shelf prospectus providing for distribution from time to time of securities of the Issuer, including Common Shares (the **Shelf Prospectus**); and (ii) a prospectus supplement describing the terms of the ATM Distribution, including the terms of the Equity Distribution Agreement, and otherwise supplementing the disclosure in the Shelf Prospectus (the **Prospectus Supplement**).

9. Upon entering into the Equity Distribution Agreement, the Issuer will immediately:

   (a) issue and file a news release pursuant to section 3.2 of NI 44-102 indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and disclosing where and how purchasers may obtain copies; and

   (b) file the Equity Distribution Agreement on SEDAR.

10. The Equity Distribution Agreement will limit the number of Common Shares that the Issuer may issue and sell pursuant to any ATM Distribution thereunder to an amount not to exceed 10% of the aggregate market value of the outstanding Common Shares calculated in accordance with section 9.2 of NI 44-102.

11. The Issuer will conduct ATM Distributions through the Agent, as agent, directly, or through a Selling Agent through the facilities of the TSX or other "marketplace" (as defined in National Instrument 21-101 *Marketplace Operation*) in Canada (**Marketplace**).

12. The Agent will act as the sole underwriter on behalf of the Issuer in connection with each ATM Distribution, and will be the only person or company paid an underwriting fee or commission by the Issuer in connection with such sales. The Agent will sign an underwriter's certificate in the Prospectus Supplement.

13. The Agent will effect each ATM Distribution on a Marketplace in Canada, either itself or through a Selling Agent. If sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Agent. A purchaser's rights and remedies under the Legislation against the Agent, as underwriter of an ATM Distribution, will not be affected by a decision to effect the sale directly or through a Selling Agent.

14. The aggregate number of Common Shares sold on any trading day pursuant to an ATM Distribution will not exceed 25% of the aggregate trading volume of the Common Shares traded on Marketplaces in Canada on that day.

15. The Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Issuer will represent to the Agent that the Shelf Prospectus, as supplemented by the Prospectus Supplement and any subsequent amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (together, the **Prospectus**), contains full, true and plain disclosure of all material facts relating to the Issuer and Common Shares being distributed. The Issuer would, therefore, be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Common Shares.

16. If, after the Issuer delivers a sell notice to the Agent directing the Agent to sell Common Shares on the Issuer's behalf pursuant to the Equity Distribution Agreement (a **Sell Notice**), the sale of Common Shares specified in the notice, taking into consideration prior sales, would constitute a material fact or material change, the Issuer would be required to suspend sales under the Equity Distribution Agreement until either: (i) it has filed a material change report or amended the Prospectus; or (ii) circumstances have changed such that the sales would no longer constitute a material fact or material change.

17. In determining whether the sale of the number of Common Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation: (i) the

parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution; (ii) the percentage of the outstanding Common Shares that the number of Common Shares proposed to be sold pursuant to the Sell Notice represents; (iii) trading volume and volatility of Common Shares; (iv) recent developments in the business, affairs and capital structure of the Issuer; and (v) prevailing market conditions generally.

18. The Agent will monitor closely the market's reaction to trades made on any Marketplace in Canada pursuant to the ATM Distribution in order to evaluate the likely market impact of future trades. The Agent has experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agent has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Common Shares, the Agent will recommend against effecting the trade at that time. It is in the interest of both the Issuer and the Agent to minimize the market impact of sales under an ATM Distribution.

Disclosure of Common Shares Sold in ATM Distribution

19. For each month during which the Issuer conducts an ATM Distribution, the Issuer will within seven calendar days after the end of the month, file on SEDAR and make publicly available, as a notice of proceeds, a report disclosing the number and average price of Common Shares distributed pursuant to an ATM Distribution, as well as total gross proceeds, commissions and net proceeds.

20. The Issuer will also disclose in the annual and interim financial statements and management discussion and analysis filed on SEDAR in respect of that financial period, the number and average price of Common Shares sold pursuant to ATM Distributions during that annual or financial interim period, as well as total gross proceeds, commission and net proceeds.

Prospectus Delivery Requirement

21. Pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.

22. However, the delivery of the Prospectus is not practicable in the circumstances of an ATM Distribution, as neither the Agent nor a Selling Agent effecting the trade will know the identity of the purchasers.

23. Although purchasers under an ATM Distribution would not physically receive a printed prospectus, the Prospectus (together with all documents incorporated by reference therein) will be filed and readily available to all purchasers electronically via SEDAR. Moreover, the Issuer will issue a news release that specifies where and how copies of the Shelf Prospectus and the Prospectus Supplement can be obtained.

24. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement, as purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission, without regard to whether the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Right of Action for Non-Delivery

25. Pursuant to the Legislation, an agreement to purchase a security in respect of a distribution to which the prospectus requirement applies is not binding on the purchaser if a dealer receives, not later than midnight on the second day exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchase (the **Withdrawal Right**).

26. Pursuant to the Legislation, a purchaser of a security to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirements, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirements (the **Right of Action for Non-Delivery**).

27. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of an ATM Distribution, because the Prospectus will not be delivered to a purchaser of Common Shares thereunder.

Prospectus Form Requirements

28. Exemptive relief from the Prospectus Form Requirements for the Issuer's forward-looking certificate in the Prospectus Supplement is required to reflect the fact that no pricing or other supplement will be filed subsequent to the Prospectus Supplement. Accordingly, the Issuer will file the Prospectus Supplement with the following certificate in substitution for the certificate prescribed by the Prospectus Form Requirements:

> *The short form prospectus, as supplemented by the foregoing, together with the documents incorporated in the prospectus by reference as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of each of the provinces and territories of Canada.*

29. Exemptive relief from the Prospectus Form Requirements for the Agent's forward-looking certificate in the Prospectus Supplement is required to reflect the fact that no pricing or other supplement will be filed subsequent to the Prospectus Supplement. Accordingly, the Issuer will file the Prospectus Supplement with the following certificate in substitution for the underwriter certificate prescribed by the Prospectus Form Requirements:

> *To the best of our knowledge, information and belief, the short form prospectus, as supplemented by the foregoing, together with the documents incorporated in the prospectus by reference as of the date of a particular distribution of securities offered by the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of each of the provinces and territories of Canada.*

30. Exemptive relief from the Prospectus Form Requirements is required to allow the Prospectus to accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Issuer will include the following language in the Prospectus Supplement in substitution for the language prescribed by the Prospectus Form Requirements:

> *Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revision of the price, or damages for non-delivery of the prospectus, because the prospectus, prospectus supplements relating to the Common Shares purchased by the purchaser and any amendment relating to Common Shares purchased by such purchaser will not be delivered as permitted under a decision dated ●, 2016 and granted pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.*
>
> *Securities legislation in certain of the provinces and territories of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery and the decision referred to above.*
>
> *Purchasers should refer to applicable provisions of securities legislation and the decision referred to above for the particulars of these rights or consult with a legal adviser.*

31. The modified disclosure of purchasers' rights set forth in section 30 above will be disclosed in the Prospectus Supplement and, solely as regards to ATM Distributions contemplated by the Prospectus Supplement, supersede and replace the statement of purchasers' rights contained in the Shelf Prospectus.

32. The statements required by subsections 5.5(2) and (3) of NI 44-102 to be included in the Shelf Prospectus will be qualified by adding the following ", except in cases where an exemption from such delivery requirements has been obtained".

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief is granted provided that:

(a) as it relates to the Prospectus Form Requirements, the disclosure described in sections 19, 20, 28, 29, 30 and 31 is made;

(b) as it relates to the Prospectus Delivery Requirements, the representations made in sections 9, 11, 12, 13, 14, 15, 16, 18 and 32 are complied with; and

(c) this decision will terminate 25 months after the issuance of the receipt for the Shelf Prospectus.

The further decision of the Decision Makers is that the Confidentiality Relief is granted.

"Tom Graham, CA"
Director, Corporate Finance

2.1.5 Great Canadian Gaming Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1 – BAR – An issuer requires relief from the requirement to file a business acquisition report – The acquisition is insignificant applying the asset and investment tests; applying the profit or loss test produces an anomalous results because the significance of the acquisition under this test is disproportionate to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors; the filer has provided additional measures that demonstrate the insignificance of the property to the filer and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

March 24, 2016

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

AND

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

AND

IN THE MATTER OF
GREAT CANADIAN GAMING CORPORATION
(THE FILER)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) granting relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to file a business acquisition report (BAR) in connection with the Filer's indirect acquisition of gaming assets (East Bundle Assets) from the Ontario Lottery and Gaming Corporation (OLG) and the Ontario Gaming Assets Corporation (OGAC) (OLG and OGAC, together, the Sellers) in an area designated by the OLG as Gaming Bundle 2 (East) (East Bundle) on January 11, 2016 (the Exemption Sought).

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

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

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

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

Interpretation

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

Representations

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

The Filer

1. the Filer is a corporation existing under the British Columbia *Business Corporations Act* and its head office is located in Coquitlam, British Columbia;

2. the Filer is a reporting issuer under the securities legislation of each of the provinces of Canada;

3. the common shares of the Filer are listed and posted for trading on The Toronto Stock Exchange under the trading symbol "GC";

4. the Filer is not in default of securities legislation in any jurisdiction;

5. the Filer is in the business of acquiring and operating gaming facilities in Canada and the United States;

The Acquisition

6. the Filer is the 90.5% majority owner of Ontario Gaming East Limited Partnership (OGELP);

7. on January 11, 2016, the OGELP acquired the East Bundle Assets from the Sellers (Acquisition), inclusive of $12.3 million of working capital, for an aggregate purchase price of $51.3 million, subject to certain agreed upon post-closing adjustments;

8. on closing of the Acquisition, the OLG and the OGELP entered into a Casino Operating and Services Agreement (COSA) that provided that the OGELP would be retained as the exclusive service provider to the OLG to operate the gaming facilities in the East Bundle with all gaming revenues generated from the East Bundle Assets remaining the property of the OLG;

9. under the COSA, OGELP has guaranteed to OLG that the OLG will earn from gaming operations in the East Bundle Assets a pre-established annual gaming revenue threshold payment;

10. in consideration for providing the services under the COSA, the OLG will pay to the OGELP annual fees comprised of (i) an annual fixed component, (ii) a variable component equal to 70% of gaming revenues from the East Bundle Assets that are in excess of a pre-established annual gaming revenue threshold amount payable to OLG under the COSA, and (iii) a fixed amount for permitted capital expenditures;

11. the indirect acquisition of the East Bundle Assets constitutes a "significant acquisition" of the Filer for the purposes of Part 8 of NI 51-102, requiring the Filer to file a BAR within 75 days of the acquisition pursuant to section 8.2(1) of NI 51-102;

Significance Tests for the BAR

12. under Part 8 of NI 51-102, the Filer is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102;

13. the acquisition of the East Bundle Assets is not a significant acquisition under the asset test in section 8.3(2)(a) of NI 51-102 as the proportionate value of the East Bundle Assets represented approximately 4.6% of the consolidated assets of the Filer as of December 31, 2014 ;

14. the acquisition of the East Bundle Assets is not a significant acquisition under the investment test in section 8.3(2)(b) of NI 51-102 as the proportional investment in the East Bundle Assets represented approximately 2.9% of the consolidated assets of the Filer as of December 31, 2014 ;

15. the acquisition of the East Bundle Assets would, however, be a significant acquisition under the profit or loss test in section 8.3(2)(c) of NI 51-102 and the optional profit or loss test in section 8.3(4)(c) of NI 51-102 as a result of the Filer's proportionate share of the consolidated specified profit of the East Bundle Assets exceeding 20% of the consolidated specified profit of the Filer calculated using (i) audited annual financial statements of the Filer and unaudited annual financial information for the East Bundle Assets for the year ended December 31, 2014, and (ii) unaudited financial information for each of the Filer and the East Bundle Assets for the twelve months ended September 30, 2015;

16. the application of the profit or loss test produces an anomalous result for the Filer because it includes gaming revenues derived from the East Bundle Assets that OGELP has not paid to acquire and will not be entitled to as a result of the completion of the Acquisition and therefore exaggerates the significance of the Acquisition out of proportion to its significance on an objective basis in comparison to the results of the asset test and investment test;

Not a Significant Acquisition

17. the Filer believes that the application of the profit or loss test does not demonstrate any correlation with the actual significance of the Acquisition from a commercial, business or financial perspective; and

18. the Filer has provided additional operational measures that better demonstrate the significance of the indirect acquisition of the East Bundle Assets to the Filer; these additional operational measures compared other operational information including the Filer's proportionate share in (i) the pro-forma specified profit and loss of the East Bundle Assets applying the service fees formula under the COSA and an estimate of OGELP's management and administration expenses, and (ii) the pro forma revenues attributable to the East Bundle Asset applying the service fees formula under the COSA and an estimate of OGELP's management and administration expenses, and the results of those measures are generally consistent with the results of the asset test and the investment test.

Decision

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

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

"Paul C. Bourque, Q.C."
Executive Director
British Columbia Securities Commission

2.2 Orders

2.2.1 Quadrexx Hedge Capital Management Ltd. et al.

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

AND

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

ORDER

WHEREAS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. On November 25, 2015, the Commission adjourned the hearing until December 7, 2015;

16. The hearing on the merits in this matter continued on December 7, 8, 9, 10, 14, 16, 17 and 18, 2015 and January 18, 19 and 20, 2016;

17. On January 20, 2016, the Commission ordered that:

(a) Staff's written closing submissions shall be served and filed by February 26, 2016;

(b) the Respondents' written closing submissions shall be served and filed by March 28, 2016;

(c) Staff's reply closing submissions, if any, shall be served and filed by April 15, 2016; and

(d) oral closing submissions in respect of the merits hearing shall take place on May 12 and 13, 2016 at 10:00 a.m;

18. On February 26, 2016, Staff served and filed written closing submissions;

19. On March 21, 2016, counsel for Sanfelice requested an extension to file responding submissions due, in part, to the length of Staff's written closing submissions, which request was not opposed by Staff;

20. On March 24, 2016, the Commission ordered that:

(a) The Respondents' written closing submissions shall be served and filed by April 25, 2016;

(b) Staff's reply closing submissions, if any, shall be served and filed by May 13, 2016; and

(c) Oral closing submissions in respect of the merits hearing shall take place on May 27 and 30, 2016 at 10:00 a.m., or on such other dates as the parties may arrange with the Secretary's office.

21. On April 4, 2016, the Secretary's Office notified the parties of a scheduling conflict regarding May 30, 2016, one of the two dates scheduled for the oral closing submissions in respect of the merits hearing and the parties agreed to May 26, 2016 as the replacement date;

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

IT IS ORDERED that:

(a) Oral closing submissions in respect of the merits hearing shall take place on May 26 and 27, 2016 at 10:00 a.m., or on such other dates as the parties may arrange with the Secretary's office; and

(b) The May 30, 2016 date originally scheduled for the oral closing submissions in respect of the merits hearing is vacated.

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

"Christopher Portner"

2.2.2 Shaun Gerard McErlean

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

AND

IN THE MATTER OF
SHAUN GERARD MCERLEAN

AND

IN THE MATTER OF
A HEARING AND REVIEW OF
A DECISION OF A HEARING PANEL OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA
DATED OCTOBER 31, 2011

ORDER

WHEREAS:

1. On January 20, 2012, the applicant, Shaun Gerard McErlean ("McErlean"), filed with the Ontario Securities Commission (the "Commission") a notice of application requesting a hearing and review of a decision of a Hearing Panel of the Investment Industry Regulatory Organization of Canada ("IIROC") dated October 31, 2011 (the "IIROC Decision");

2. On January 25, 2012, IIROC Staff wrote to McErlean with a copy to the Registrar of the Commission advising that the penalty hearing arising from the IIROC Decision was scheduled to be heard;

3. On April 19, 2012, IIROC Staff wrote to the Registrar of the Commission advising that the McErlean proceeding had been completed and IIROC had issued its penalty decision;

4. McErlean did not perfect his application for a hearing and review as required by Rule 14.4(3) of the Commission's *Rules of Procedure* (2014), 37 OSCB 4168, or request a hearing and review of the IIROC Hearing Panel's penalty decision;

5. On February 1, 2016, Commission Staff advised that Commission Staff and IIROC Staff were requesting that McErlean's application for a hearing and review be dismissed because it had not been perfected;

6. The Registrar unsuccessfully attempted to serve on McErlean ,by email and by courier, a letter from the Secretary to the Commission, dated February 8, 2016, advising McErlean that his application may be dismissed pursuant to Rule 14.4(5) of the Commission's *Rules of Procedure* if his application was not perfected; and

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

IT IS ORDERED that McErlean's application for a hearing and review of the IIROC Decision be and is hereby dismissed.

DATED at Toronto, this 7th day of April, 2016.

"Christopher Portner"

2.2.3 7997698 Canada Inc. et al.

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

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

ORDER

WHEREAS:

1. on November 21, 2014, the Ontario Securities Commission (the "Commission") issued a temporary order (the "Temporary Order") pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the "Act"), by which the Commission ordered:

   a. that all trading in any securities by 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, or WIC (ON) ("7997698"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") shall cease; and

   b. that the exemptions contained in Ontario securities law do not apply to any of 7997698, Lee, and Huang;

2. on November 21, 2014, the Commission ordered that the Temporary Order expire on the 15th day after its making unless extended by order of the Commission;

3. on November 24, 2014, the Commission issued a Notice of Hearing providing that a hearing would be held on Wednesday December 3, 2014, pursuant to subsections 127(7) and (8) of the Act, to consider, among other things, the extension of the Temporary Order;

4. Staff of the Commission served the Respondents with copies of the Temporary Order, the Notice of Hearing, the Hearing Brief, the Supplementary Hearing Brief, and Staff's Written Submissions and Brief of Authorities, as evidenced by the Affidavits of Service sworn by Steve Carpenter on December 1, 2014, and December 2, 2014;

5. on December 3, 2014, the Commission held a hearing, at which Lee attended but Huang did not attend although properly served, and at which the Commission heard submissions from counsel for Staff and from Lee on his own behalf and on behalf of 7997698, and the Commission ordered that the Temporary Order be extended to June 3, 2015, and that the proceeding be adjourned until Wednesday, May 27, 2015, at 10:00 a.m.;

6. on March 11, 2015, the Commission issued a Notice of Hearing providing that a hearing would be held on April 10, 2015, pursuant to sections 127 and 127.1 of the Act, in connection with a Statement of Allegations filed by Staff of the Commission on March 11, 2015 with respect to 7997698, Lee, and Huang (collectively, the "Respondents");

7. on April 9, 2015, on consent of Staff, 7997698 and Lee, the Commission adjourned the hearing (the "First Appearance") to April 23, 2015;

8. on April 23, 2015, counsel for Staff and counsel for the Respondents 7997698 and Lee appeared before the Commission and the Commission ordered that:

   a. Staff provide to the Respondents disclosure of documents and things in the possession or control of Staff that are relevant to the hearing on or before May 22, 2015,

   b. the First Appearance shall continue on May 27, 2015, for the purpose of providing an update with respect to service on Huang,

   c. a Second Appearance be held on July 22, 2015,

d. any requests by any of the Respondents for disclosure of additional documents be set out in a Notice of Motion to be filed no later than 5 days before the Second Appearance,

e. at the Second Appearance, any motions by any of the Respondents with respect to disclosure provided by Staff would be heard or scheduled for a subsequent date, and

f. in the event of the failure of any party to attend at the time and place stated above, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

9. on May 15, 2015, with respect to the Temporary Order, Staff served the Respondents with copies of a Further Supplementary Hearing Brief (two volumes), Supplemental Staff Written Submissions, and a Supplemental Brief of Authorities;

10. on May 27, 2015, the Commission held a hearing at which counsel for Staff attended but no one attended for the Respondents, and the Commission heard submissions from counsel for Staff and the Commission was advised that (i) Huang had retained counsel, and (ii) the Respondents sought an adjournment of the proceeding and counsel for Staff filed a consent of the Respondents to an extension of the Temporary Order until one week after the Second Appearance and the Commission ordered that the Temporary Order was extended until July 29, 2015; and specifically:

a. that all trading in any securities by the Respondents cease,

b. that the exemptions contained in Ontario securities law do not apply to any of the Respondents,

c. any person or company affected by that Order may apply to the Commission for an order revoking or varying the Order pursuant to s. 144 of the Act upon seven days' written notice to Staff of the Commission, and

d. the proceeding be adjourned to July 22, 2015;

11. on July 22, 2015, counsel for Staff and counsel for the Respondents appeared before the Commission and advised that the Respondents consented to an extension of the Temporary Order until the conclusion of the merits hearing and the Commission ordered that:

a. the Temporary Order be extended until April 29, 2016; and specifically:

i. that all trading in any securities by the Respondents cease, and

ii. that the exemptions contained in Ontario securities law do not apply to any of the Respondents;

b. the Respondents make disclosure to Staff of their witness list and summaries and indicate any intent to call an expert witness, and provide Staff the name of the expert and state the issue on which the expert will be giving evidence, on or before September 9, 2015;

c. the proceeding "IN THE MATTER OF 7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTNG SERVICES INC., WORLD INCUBATION CENTRE, or WIC(ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG," commenced by Notice of Hearing on November 24, 2014, be combined with the proceeding "IN THE MATTER OF 7997698 CANADA INC., carrying on business as INTERNATIONAL LEGAL AND ACCOUNTNG SERVICES INC., WORLD INCUBATION CENTRE, or WIC(ON), JOHN LEE also known as CHIN LEE, and MARY HUANG also known as NING-SHENG MARY HUANG," commenced by Notice of Hearing on March 11, 2015, and any further notices or orders be made under a single title of proceeding; and

d. a Third Appearance be held on September 24, 2015;

12. on September 14, 2015, Staff made a motion with respect to the witness list and witness summaries provided by Lee and 7997698 returnable at the Third Appearance or a date to be set at the Third Appearance ("Staff's Witness Motion");

13. on September 24, 2015, David Quayat, counsel for 7997698 and Lee, filed a notice of motion pursuant to Rule 1.7.4 of the Commission's Rules of Procedure (the "Rules"), seeking leave to withdraw as representative for 7997698 and Lee and requesting that the motion be heard in writing (the "Withdrawal Motion") and the Commission ordered that:

a. the Withdrawal Motion be heard in writing; and

b. David Quayat be granted leave to withdraw as representative for 7997968 and Lee;

14. on September 24, 2015,

    a. Lee, counsel for Staff, and counsel for Huang appeared before the Commission for the Third Appearance, and Lee advised that he represented 7997698, and although the Respondents were properly served, the Commission made no finding regarding Lee's capacity to represent 7997698;

    b. Lee and counsel for Staff appeared before the Commission for Staff's Witness Motion, and Lee requested an adjournment so that he could properly respond to Staff's Witness Motion; and

    c. the Commission ordered that:

        i. a confidential pre-hearing conference be held on October 6, 2015; and

        ii. Staff's Witness Motion, if necessary, and the continuation of the Third Appearance be held on October 19, 2015;

15. on October 6, 2015, Lee and counsel for Staff appeared before the Commission for a confidential pre-hearing conference, no one appeared for Huang although properly served, and the Commission ordered that should Lee wish to bring a motion to the Commission for an order varying the freeze directions made in this proceeding to permit the payment of legal fees, Lee must serve upon Staff and file with the Commission his motion materials by October 14, 2015, with the motion to be heard on October 19, 2015;

16. on October 19, 2015,

    a. Lee and counsel for Staff appeared before the Commission for:

        i. Staff's Witness Motion, with respect to which Lee submitted a revised list of intended witnesses and Staff advised that it was therefore no longer seeking an order;

        ii. Lee's motion to vary the Commission freeze directions to permit the payment of legal fees;

        iii. Lee's motion for permission to represent 7997698 in this proceeding, with respect to which Lee advised that he had sent to Huang, Charles Yong, Fenglany Yang, Jing Xiang Xie, and Jina Liu (collectively, the "Beneficial Owners" of 7997698, according to Lee) a request for consent (a copy of which was marked as Exhibit 1 in this proceeding); and

        iv. Lee's motion for directions regarding Staff's disclosure; and

    b. Lee, counsel for Staff, and counsel for Huang appeared before the Commission for the continuation of the Third Appearance; and

    c. the Commission ordered that:

        i. Lee's motion to vary the Commission's freeze directions is dismissed, without prejudice to the right of any party to renew that request;

        ii. Lee's motion for permission to represent 7997698 in this proceeding is dismissed;

        iii. Lee's motion for directions regarding Staff's disclosure is dismissed;

        iv. on or before February 22, 2016, each party shall deliver to every other party copies of documents that it intends to produce or enter as evidence at the hearing on the merits in this proceeding (the "Hearing Briefs");

        v. a Final Interlocutory Appearance shall be held at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on March 1, 2016, at 10:00 a.m., or on such other date and time as may be fixed by the Office of the Secretary and agreed to by the parties;

        vi. no later than February 25, 2016, the parties shall file with the Office of the Secretary copies of indices to their Hearing Briefs, if any;

        vii. the hearing on the merits in this proceeding shall be held at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on April 4, 2016, at 10:00 a.m.,

and continuing on April 11 to 15, April 25 to 29, and May 2, 4, 5, and 6, 2016, beginning at 10:00 a.m. each day; and

viii. Staff and Lee shall take all reasonable steps to provide a copy of this order to the Beneficial Owners;

17. on March 1, 2016, Lee, counsel for Staff, and counsel for Huang appeared before the Commission for the Final Interlocutory Appearance, and the Commission ordered that:

a. on or before March 9, 2016, Huang shall make disclosure to every other party of her witness list and summaries;

b. on or before March 9, 2016, Lee and Huang shall deliver to every other party their Hearing Briefs;

c. on Wednesday March 23, 2016 commencing at 8:30 a.m., a confidential pre-hearing conference shall be held at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario; and

d. The merits hearing dates scheduled for May 4, 5, and 6, 2016 are vacated;

18. on March 23, 2016, Lee, counsel for Staff, and counsel for Huang appeared before the Commission for a confidential pre-hearing conference, and the Commission ordered that should Lee seek to provide his evidence for the merits hearing in writing, then Lee shall provide his sworn affidavit to Staff by 12:00 p.m. on Friday April 1, 2016 and be available for cross-examination;

19. on April 4, 2016, Lee, Staff, and counsel for Huang requested that this matter be adjourned until April 12, 2016 at 10:00 a.m., and the Commission ordered that:

a. the dates for the hearing on the merits scheduled to commence on April 4, 2016 and continue on April 11, 2016 be vacated;

b. the hearing on the merits shall commence on April 12, 2016 at 10:00 a.m. and continue on April 13, 14, 15, 25, 26, 27, 28, 29 and May 2, 2016; and

20. on April 7, 2016, the Respondents entered into a Settlement Agreement with Staff in relation to the matters set out in the Statement of Allegations;

21. on April 8, 2016, the Commission issued a Notice of Hearing, setting out that it proposed to consider the Settlement Agreement;

22. a hearing was held before the Commission on April 11, 2016 regarding the Settlement Agreement and the Commission made an order approving the Settlement Agreement; and

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

IT IS ORDERED THAT:

1. the dates for the hearing on the merits scheduled to commence on April 12, 2016 and continue on April 13, 14, 15, 25, 26, 27, 28, 29 and May 2, 2016 are vacated.

DATED at Toronto this 11th day of April, 2016.

"Alan J. Lenczner"

2.2.4 Future Solar Developments Inc. et al. – ss. 127, 127.1

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

AND

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

ORDER
(Sections 127 and 127.1 of the Securities Act)

WHEREAS:

1. on March 26, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 26, 2015, to consider whether it is in the public interest to make certain orders against Future Solar Developments Inc. ("FSD"), Cenith Energy Corporation ("Cenith Energy"), Cenith Air Inc. ("Cenith Air"), Angel Immigration Inc. ("Angel Immigration") (together, the "Corporate Respondents") and Xundong Qin, also known as Sam Qin ("Qin") (together with the Corporate Respondents, the "Respondents");

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

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

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

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

6. the Commission ordered that:

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

    2. that Staff shall provide to the Respondents, no later than five (5) days before the Second Appearance, their witness lists and indicate any intent to call an expert witness, including the name of the expert witness and the issue on when the expert will be giving evidence;

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

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

9. the Commission ordered that:

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

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

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

10. a request was made to the Office of the Secretary to reschedule the Third Appearance in this matter and the parties agreed to such other date and time as provided by the Office of the Secretary;

11. on October 27, 2015, the Commission ordered that the Third Appearance in this matter scheduled for November 9, 2015 at 10:00 a.m. is vacated and that the Third Appearance in this matter be held on October 30, 2015 at 10:00 a.m.;

12. the Commission held a hearing on October 30, 2015 and counsel for Staff and counsel from the Litigation Assistance Program ("LAP") attended on behalf of the Respondents;

13. on October 30, 2015, Qin was not in attendance at the hearing;

14. on October 30, 2015, the Commission ordered that the Third Appearance in this matter is adjourned to December 2, 2015 at 9:30 a.m.;

15. the Commission held a hearing on December 2, 2015, and counsel for Staff and LAP counsel attended on behalf of the Respondents;

16. on December 2, 2015, the Commission ordered that:

    1. the Respondents shall provide to Staff their witness list by December 18, 2015;

    2. the Respondents shall provide to Staff their witness summaries by January 11, 2016;

    3. the parties shall deliver to every other party copies of documents which they intend to produce or enter as evidence at the hearing on the merits in this matter (the "Hearing Briefs") by no later than February 8, 2016;

    4. the parties shall file with the Registrar copies of indices to their Hearing Briefs by no later than February 12, 2016;

    5. the final interlocutory appearance shall be held on February 22, 2016 at 10:00 a.m.; and

    6. the hearing on the merits in this matter shall commence on March 21, 2016 at 10:00 a.m. and continue thereafter on March 23, 24, 28 29, 30, 31 and April 1, 4 and 12, 2016 and on such further dates as agreed to by the parties and set by the Office of the Secretary.

17. the Commission held a hearing on February 22, 2016, and counsel for Staff, counsel for Future Solar, and LAP counsel for Qin, Cenith Energy, Cenith Air and Angel Immigration attended on behalf of the Respondents;

18. on February 22, 2016, the Commission ordered that:

    1. the hearing date set for March 21, 2016 is vacated; and

    2. the hearing on the merits shall commence on March 23, 2016 at 10:00 a.m. and continue thereafter on March 24, 28, 29, 30, 31 and April 1, 4 and 12, 2016 and on such further dates as agreed to by the parties and set by the Office of the Secretary.

19. the hearing on the merits on this matter was held on March 23, 24, 28, 30, 31 and April 4, 2016;

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

IT IS ORDERED that the hearing date set for April 12, 2016 is vacated.

DATED at Toronto this 11th day of April, 2016.

“Alan J. Lenczner”

“D. Grant Vingoe”

“Deborah Leckman”

2.3 Orders with Related Settlement Agreements

2.3.1 7997698 Canada 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
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

ORDER
(Subsections 127(1) and 127.1)

WHEREAS:

1. on March 11, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. ("ILAS"), World Incubation Centre ("WIC"), and WIC (ON) (collectively, "799"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") (collectively, the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 11, 2015 (the "Statement of Allegations");

2. the Respondents entered into a Settlement Agreement with Staff dated April 7, 2016 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 11, 2015, subject to the approval of the Commission;

3. on April 8, 2016, the Commission issued a Notice of Hearing to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

4. On November 25, 2014, the Commission commenced an application pursuant to subsection 126(5) of the Act on the Commercial List of the Ontario Superior Court of Justice in Court File CV-14-10768-00CL (the "Freeze Direction Application") for an order to continue six freeze directions, made pursuant to subsection 126(1) of the Act, which were issued on November 21, 2014 (collectively, the "Commission Freeze Directions"). It is contemplated that in the Freeze Direction Application, the Court will be asked to issue an order, and that the Commission and the Respondents will consent to such order, for the payment into Court of the funds frozen by the Commission Freeze Directions and additional funds, and to order the implementation of a distribution plan for these funds (the "Court Ordered Distribution Process");

5. Huang undertakes to comply with Ontario securities law;

6. 799 and Lee acknowledge that failure to pay in full any monetary sanctions and/or costs ordered will result in their names being added to the list of "Respondents Delinquent in Payment of Commission Orders" published on the OSC website;

7. the Respondents acknowledge that this Order may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which he/she may intend to engage in any securities related activities, prior to undertaking such activities;

8. the Commission has reviewed the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and heard submissions from Lee, counsel for Huang, and from Staff;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by 799 shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

3. trading in any securities or derivatives by Lee shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

4. the acquisition of any securities by 799 is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

5. the acquisition of any securities by Lee is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

6. any exemptions contained in Ontario securities law do not apply to 799 for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

7. any exemptions contained in Ontario securities law do not apply to Lee for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

8. 799 and Lee be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

9. Lee resign one or more positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

10. Lee resign one or more positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

11. Lee resign one or more positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

12. Lee is prohibited from becoming or acting as a director or officer of any issuer for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;

13. Lee is prohibited from becoming or acting as a director or officer of any registrant for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

14. Lee is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

15. Lee is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

16. 799 and Lee pay an administrative penalty on a joint and several basis in the amount of $50,000, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 9 of subsection 127(1) of the Act;

17. 799 and Lee disgorge on a joint and several basis to the Commission the amount of $4,789,581, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount shall be subject to reduction equivalent to the amount of 799 investor claims satisfied by the Court Ordered Distribution Process;

18. 799 and Lee shall pay costs on a joint and several basis in the amount of $10,000, pursuant to section 127.1 of the Act;

19. Lee's right to (i) call at any residence for the purpose of trading in securities, or (ii) telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in securities, is suspended for six years from commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to subsection 37(1) of the Act.

20. With respect to the payments to be ordered in paragraph 16 and 18 above, Lee shall make payment of $60,000 by certified cheque or bank draft when the Commission approves this Settlement Agreement.

DATED at Toronto, this 11th day of April, 2016.

"Alan J. Lenczner"

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

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. ("ILAS"), World Incubation Centre ("WIC"), and WIC (ON) (collectively, "799"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") (collectively, the "Respondents").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by the Notice of Hearing dated March 11, 2015 (the "Proceeding") against the Respondents according to the terms and conditions set out in Part VI of this Settlement Agreement ("the Settlement Agreement"). The Respondents agree to the making of an order in the form attached as Schedule "A" ("the Order"), 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 and the conclusion in Part IV of this Settlement Agreement. The Respondents expressly deny that this Settlement Agreement is intended to be an admission of civil liability to any person, and the Respondents expressly deny such liability.

PART III – AGREED FACTS

A. OVERVIEW

4. During the period from October 17, 2011 until May 13, 2013, (the "Relevant Period"), from Ontario, without being registered with the Commission as was required, 799 and Lee solicited and sold shares of 799 to residents of the People's Republic of China. In addition to investing in a business in Ontario, the documents related to the investment indicated that the investment could qualify the investors to obtain permanent resident status in Canada through the investor stream of the Opportunities Ontario Provincial Nominee Program ("OPNP").

B. BACKGROUND

5. 799 was incorporated on October 13, 2011 pursuant to the laws of Canada. 799's registered office is in Welland, Ontario. ILAS, WIC, and WIC (ON) are some of the business names used by the Respondents for 799.

6. During the Relevant Period, Lee and Huang were Ontario residents. During the Relevant Period, Lee and Huang were directors and the directing minds of 799.

C. UNREGISTERED TRADING

7. 799 has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Lee and Huang have never been registered with the Commission in any capacity.

8. During the Relevant Period, from or in Ontario, 799 and Lee solicited, advertised, and sold securities of 799 to residents of the People's Republic of China through the use of 799 sales agents and the 799 web page.

9. 799 and Lee or their agents provided investors with an immigration service agreement with ILAS, an offering memorandum, a subscription agreement for convertible preferred shares or common shares of 799, and, if they invested, a 799 share certificate.

10. The securities of 799 solicited and sold by 799 and Lee were common shares "series" in which each common share was marketed to be sold for $1,000,000, and 799 preferred shares "series" in which each preferred share was marketed to be sold for $150,000 or $225,000.

11. The 799 offering memorandum indicated that, among other things, 799 would build a facility in Welland, Ontario, bring Chinese manufacturers to the facility so that they could market themselves directly to small to medium sized North American retailers, provide adjacent space for the final stage of product assembly, and market the centre to small and medium sized retail businesses in Canada and the United States of America.

12. The shares issued by 799 are "securities" as defined in subsection 1(1) of the Act and, in particular, clauses (a), (b), (e), (g), (i), and/or (n) of that definition.

13. Through 799 and Lee's conduct described above, $6,779,581 was paid from or on behalf of approximately fifty-six investors into bank accounts controlled by the Respondents in Ontario. A total of $1,990,000 was repaid to or on behalf of seventeen investors from 799's bank accounts in Ontario. The difference between the funds received by the relevant Ontario bank accounts and the funds repaid is $4,789,581.

14. During the Relevant Period, 799 and Lee were in the business of selling securities to the public.

15. 799 and Lee's conduct has negatively affected the reputation and integrity of Ontario's capital markets.

D. FREEZE DIRECTIONS AND CEASE TRADE ORDER

16. On November 21, 2014, the Commission issued six freeze directions pursuant to subsection 126(1) of the Act (collectively, the "Commission Freeze Directions"): three directed at banks holding investor funds, and three directed at the Respondents. The Commission also directed that a Certificate of Direction respecting commercial real property (the "Property Direction") located at 555 Canal Bank Street, Welland, Ontario (the "Property") be registered on title pursuant to clause 126(1)(a) of the Act. The Commission Freeze Directions froze approximately $3.1 million and 799's interest in the Property. $1,187,280.60 of investor funds was paid towards the Property.

17. That same day, the Commission issued a temporary order pursuant to subsections 127(1) and (5) of the Act against the Respondents providing that all trading in any securities by the Respondents shall cease, and that the exemptions contained in Ontario securities law do not apply to any of the Respondents (the "Temporary Order").

18. On November 25, 2014, the Commission commenced an application on the Commercial List of the Ontario Superior Court of Justice in Court File CV-14-10768-00CL for an order to continue the Commission Freeze Directions pursuant to subsection 126(5) of the Act (the "Freeze Direction Application"). The Court continued the Commission Freeze Directions by orders made on December 9, 2014 and on May 28, 2015 until further order of the Court or until the Commission revokes the Commission Freeze Directions or consents to the release of the funds, securities, or property from the Commission Freeze Directions.

19. On July 22, 2015, the Commission extended the Temporary Order to April 29, 2016.

20. An investor group of sixteen investors, another investor, and the beneficial co-owner of the Property have made claims against some or all of the Respondents, and have appeared in the Freeze Direction Application.

21. It is contemplated that, in the Freeze Direction Application, the Court will be asked to issue an order, and that the Commission and the Respondents will consent to such order, for the payment into Court of the funds frozen by the Commission

Freeze Directions and additional funds, and to order the implementation of a distribution plan for these funds (the "Court Ordered Distribution Process"). There should be funds within the Court Ordered Distribution Process sufficient to satisfy the claims of 799 investors who paid their investment into Ontario bank accounts.

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

22. By engaging in the conduct described above, 799 and Lee admit and acknowledge that they have breached Ontario securities law, and acknowledge that they have acted contrary to the public interest in that:

a. During the Relevant Period, 799 and Lee traded and engaged in, or held themselves out as engaging in the business of trading in securities of 799 and/or participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of these securities for valuable consideration, without being registered to trade in securities, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to subsection 25(1) of the Act.

PART V – RESPONDENT'S POSITION

23. The Respondents request that the settlement hearing panel consider the following mitigating circumstances:

a. Huang is prepared to undertake to the Commission to comply with Ontario securities law.

PART VI – TERMS OF SETTLEMENT

24. The Respondents agree 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) the Settlement Agreement is approved;

(b) trading in any securities or derivatives by 799 shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

(c) trading in any securities or derivatives by Lee shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

(d) the acquisition of any securities by 799 is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

(e) the acquisition of any securities by Lee is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

(f) any exemptions contained in Ontario securities law do not apply to 799 for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

(g) any exemptions contained in Ontario securities law do not apply to Lee for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

(h) 799 and Lee be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(i) Lee resign one or more positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

(j) Lee resign one or more positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

(k) Lee resign one or more positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

(l) Lee is prohibited from becoming or acting as a director or officer of any issuer for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;

(m) Lee is prohibited from becoming or acting as a director or officer of any registrant for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

(n) Lee is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

(o) Lee is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(p) 799 and Lee pay an administrative penalty on a joint and several basis in the amount of $50,000, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 9 of subsection 127(1) of the Act;

(q) 799 and Lee disgorge on a joint and several basis to the Commission the amount of $4,789,581, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount shall be subject to reduction equivalent to the amount of 799 investor claims satisfied by the Court Ordered Distribution Process;

(r) 799 and Lee shall pay costs on a joint and several basis in the amount of $10,000, pursuant to section 127.1 of the Act;

(s) Lee's right to (i) call at any residence for the purpose of trading in securities, or (ii) telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in securities, is suspended for six years from commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to subsection 37(1) of the Act; and

(t) Huang undertakes to the Commission to comply with Ontario securities law.

25. With respect to the payments to be ordered in paragraph 24(p) and (r) above, Lee agrees to make payment of $60,000 by certified cheque or bank draft when the Commission approves this Settlement Agreement.

26. 799 and Lee undertake to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs (b) to (o) and (s) to (u) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

27. The Respondents agree to attend in person at the hearing before the Commission to consider the proposed settlement.

28. 799 and Lee acknowledge that failure to pay in full any monetary sanctions and/or costs ordered will result in 799 and Lee's names being added to the list of "Respondents Delinquent in Payment of Commission Orders" published on the OSC website.

29. The Respondents acknowledge that this Settlement Agreement and proposed Order may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which he/she may intend to engage in any securities related activities, prior to undertaking such activities.

PART VII – STAFF COMMITMENT

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

31. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondents. 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. In addition, if this Settlement Agreement is approved by the Commission, and the Respondents fail to comply with the terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in paragraphs 24 (p), (q) and (r) above.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

32. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission on a date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure*.

33. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing. The parties agree the Commission may be advised of the particulars of the Freeze Direction Application and of the Court Ordered Distribution Process.

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

35. If the Commission approves this Settlement Agreement, no party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

38. The parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. The parties agree the Court and the parties to the Freeze Direction Application may be advised of the terms of 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 Respondents otherwise agree or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

39. This Settlement Agreement may be signed in one or more counterparts which, together, constitute a binding agreement.

40. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated at Toronto this 7th day of April, 2016.

"John Lee"
7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc., World Incubation Centre, and WIC (ON)

Per: John Lee [Print]

I am authorized to bind the corporation.

"Eden Kaill"
Eden Kaill [Print]
Witness

"John Lee"
John Lee also known as Chin Lee

"Eden Kaill"
Eden Kaill [Print]
Witness

"Mary Huang"
Mary Huang also known as Ning-Sheng Mary Huang

"Eden Kaill"
Eden Kaill [Print]
Witness

"Kelly Gorman"
Deputy Director
per Tom Atkinson
Director, Enforcement Branch

Schedule "A"

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

AND

IN THE MATTER OF
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
7997698 CANADA INC.,
carrying on business as INTERNATIONAL LEGAL AND ACCOUNTING SERVICES INC.,
WORLD INCUBATION CENTRE, or WIC (ON),
JOHN LEE also known as CHIN LEE, and
MARY HUANG also known as NING-SHENG MARY HUANG

ORDER
(Subsections 127(1) and 127.1)

WHEREAS:

1. on March 11, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of 7997698 Canada Inc., carrying on business as International Legal and Accounting Services Inc. ("ILAS"), World Incubation Centre ("WIC"), and WIC (ON) (collectively, "799"), John Lee also known as Chin Lee ("Lee"), and Mary Huang also known as Ning-Sheng Mary Huang ("Huang") (collectively, the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 11, 2015 (the "Statement of Allegations");

2. the Respondents entered into a Settlement Agreement with Staff dated April 7, 2016 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 11, 2015, subject to the approval of the Commission;

3. on [date], the Commission issued a Notice of Hearing to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

4. On November 25, 2014, the Commission commenced an application pursuant to subsection 126(5) of the Act on the Commercial List of the Ontario Superior Court of Justice in Court File CV-14-10768-00CL (the "Freeze Direction Application") for an order to continue six freeze directions, made pursuant to subsection 126(1) of the Act, which were issued on November 21, 2014 (collectively, the "Commission Freeze Directions"). It is contemplated that in the Freeze Direction Application, the Court will be asked to issue an order, and that the Commission and the Respondents will consent to such order, for the payment into Court of the funds frozen by the Commission Freeze Directions and additional funds, and to order the implementation of a distribution plan for these funds (the "Court Ordered Distribution Process");

5. Huang undertakes to comply with Ontario securities law;

6. 799 and Lee acknowledge that failure to pay in full any monetary sanctions and/or costs ordered will result in their names being added to the list of "Respondents Delinquent in Payment of Commission Orders" published on the OSC website;

7. the Respondents acknowledge that this Order may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which he/she may intend to engage in any securities related activities, prior to undertaking such activities;

8. the Commission has reviewed the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and heard submissions from Lee, counsel for Huang, and from Staff;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by 799 shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

3. trading in any securities or derivatives by Lee shall cease for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2 of subsection 127(1) of the Act;

4. the acquisition of any securities by 799 is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

5. the acquisition of any securities by Lee is prohibited for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

6. any exemptions contained in Ontario securities law do not apply to 799 for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

7. any exemptions contained in Ontario securities law do not apply to Lee for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 3 of subsection 127(1) of the Act;

8. 799 and Lee be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

9. Lee resign one or more positions that he holds as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

10. Lee resign one or more positions that he holds as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

11. Lee resign one or more positions that he holds as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

12. Lee is prohibited from becoming or acting as a director or officer of any issuer for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8 of subsection 127(1) of the Act;

13. Lee is prohibited from becoming or acting as a director or officer of any registrant for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

14. Lee is prohibited from becoming or acting as a director or officer of any investment fund manager for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

15. Lee is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter for a period of six years commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

16. 799 and Lee pay an administrative penalty on a joint and several basis in the amount of $50,000, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 9 of subsection 127(1) of the Act;

17. 799 and Lee disgorge on a joint and several basis to the Commission the amount of $4,789,581, which shall be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act, pursuant to paragraph 10 of subsection 127(1) of the Act, which amount shall be subject to reduction equivalent to the amount of 799 investor claims satisfied by the Court Ordered Distribution Process;

18. 799 and Lee shall pay costs on a joint and several basis in the amount of $10,000, pursuant to section 127.1 of the Act;

19. Lee's right to (i) call at any residence for the purpose of trading in securities, or (ii) telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in securities, is suspended for six years from commencing on the date of the Commission's order approving this Settlement Agreement, pursuant to subsection 37(1) of the Act.

20. With respect to the payments to be ordered in paragraph 16 and 18 above, Lee shall make payment of $60,000 by certified cheque or bank draft when the Commission approves this Settlement Agreement.

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

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
GlobalMin Ventures Inc.	6 April 2016	
Mountain Lake Minerals Inc.	11 April 2016	
Terra Energy Corp.	11 April 2016	
United Coal Holdings Limited	11 April 2016	

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
Tango Mining Limited	7 January 2016	20 January 2016	20 January 2016	6 April 2016	

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
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		
GeneNews Limited	31 March 2016	13 April 2016			
Northern Power Systems Corp.	31 March 2016	13 April 2016			
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Tango Mining Limited	7 January 2016	20 January 2016	20 January 2016	6 April 2016	

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Valeant Pharmaceuticals International, Inc.	31 March 2016	13 April 2016			

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

THE REPORT FOR CHAPTER 11 IS NOT AVAILABLE THIS WEEK.

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Crowdmatrix Inc.	Exempt Market Dealer	April 7, 2016
New Registration	Tancook Investment Management Limited	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer	April 8, 2016
New Registration	Bonwick Capital Partners, LLC	Exempt Market Dealer	April 8, 2016
Name Change	From: Sun Life Investment Management Inc. To: Sun Life Institutional Investments (Canada) Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	March 31, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Nasdaq CX and Nasdaq CX2 – Special Settlement Instructions – Notice of Proposed Changes and Request for Comment

NASDAQ CX AND NASDAQ CX2

NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT

Nasdaq CX and Nasdaq CX2 have announced plans to implement the change described below on June 21st, 2016 subject to regulatory approval. Nasdaq CX and Nasdaq CX2 are publishing this Notice of Proposed Changes in accordance with the requirements set out in the Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits Thereto (ATS Protocol). Pursuant to the ATS Protocol, market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by May 16, 2016 to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
Fax 416 595 8940
Email: marketregulation@osc.gov.on.ca

And to

Matt Thompson
Chief Compliance Officer
Chi-X Canada ATS Limited
130 King St., W, Suite 2105
Toronto, ON M5X 1E3
Email: matthew.thompson@chi-x.com

Comments 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 Commission staff's review and to outline the intended implementation date of the changes.

NASDAQ CX AND NASDAQ CX2

NOTICE OF PROPOSED CHANGES

Nasdaq CX and Nasdaq CX2 have announced plans to implement the change described below on June 21st, 2016 subject to regulatory approval. Nasdaq CX and Nasdaq CX2 are publishing this Notice of Proposed Changes in accordance with the requirements set out in the ATS Protocol.

Summary of Proposed Changes

Nasdaq CX and Nasdaq CX2 are proposing to introduce the option for subscribers to be able to enter intentional crosses with special settlement instructions. Today, both Nasdaq CX and Nasdaq CX2 only support orders entered with regular settlement instructions (T+3).

Expected Date of Implementation

Subject to regulatory approval we are expecting to introduce this feature on June 21st 2016.

Rationale and Relevant Supporting Analysis

It is a common practice and expectation for participants to be able to enter orders with special settlement instructions. At times, clients are in need of the proceeds received from a sale of a security faster than the normal T+3 settlement cycle. Similarly, a client may want to lock in the price of a security with funds that may be received later than the T+3 settlement period. For these reasons regulation both recognizes these orders and permits the atypical handling of them. A special settlement cross order is a non-standard order which is a defined term and a permitted exception in the Order Protection Rule and one of the orders included in the definition of a special terms order in UMIR.

Today Nasdaq CX and Nasdaq CX2 do not permit any special settlement instructions to be added to an order. This places both marketplaces at a competitive disadvantage as it does not qualify as a marketplace for consideration to place these orders. The rationale for these orders is to facilitate client orders and to attract these crosses in order to increase market share.

Expected Impact on Market Structure Impact of the Changes

We do not expect or anticipate that the proposed changes will have any significant impact on market structure or marketplace participants.

Consultation and Review

This change is being made in response to requests by subscribers.

Estimated Time Required by Subscribers and Vendors (or why a reasonable estimate is not provided)

From a development perspective, the use of these orders is optional so there is no work that is necessary to be performed by subscribers. Existing FIX protocol tags have been harmonized with those used for special settlement by TSX which also facilitates adoption. Most participants and vendors already support this order type on other marketplaces.

Discussion of any alternatives considered

No alternatives were considered.

Will Proposed Fee Change or Significant Change introduce a Fee Model or Feature that Currently Exists in other Markets or Jurisdictions

The proposed significant change will not introduce a new feature into the market. Almost all lit marketplace support special settlement instructions for orders.

Any questions regarding these changes should be addressed to Matt Thompson, Chi-X Canada ATS Limited: matthew.thompson@chi-x.com, T: 416-304-6376

Chapter 25

Other Information

25.1 Consents

25.1.1 Kingsway Arms Retirement Residences Inc. – s. 4(b) of O. Reg. 289/00 under the OBCA

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
R.R.O 1990, REGULATION 289/00, AS AMENDED
(the "Regulation")
MADE UNDER THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
KINGSWAY ARMS RETIREMENT RESIDENCES INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Kingsway Arms Retirement Residences Inc. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") requesting a consent from the Commission pursuant to subsection 4(b) of the Regulation, for the Applicant to continue into the Province of British Columbia, (the "**Continuance**") pursuant to Section 181 of the OBCA;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the OBCA by articles of incorporation effective May 31, 2007. The Applicant amalgamated with its two wholly owned subsidiaries, 2322003 Ontario Inc. and 2172568 Ontario Limited, pursuant to articles of amalgamation effective July 31, 2015.

2. The Applicant's head and registered office is located at 208 Evans Avenue, Suite 115, Toronto, Ontario, M8Z 1J7.

3. The authorized share capital of the Applicant currently consists of an unlimited number of common shares ("**Common Shares**") and an unlimited number of Class A preferred shares ("**Class A Shares**"), of which, as at March 31, 2016, there were 20,290,000 Common Shares and no Class A Shares outstanding. The Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "KWA". The Applicant does not have any securities listed on any other exchange except the TSXV.

4. The Applicant intends to make an application to the Director under section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue into the Province of British Columbia under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the "**BCBCA**"). The Applicant intends to change its name to "Mainstreet Health Investments Inc." in connection with the Continuance, and also change the trading symbol for its Common Shares on the TSXV to "HLP". The Applicant has a name reservation granted by the Registrar of Companies, British Columbia in the name "Mainstreet Health Investments Inc.", under name reservation number NR 6254706.

5. Pursuant to subsection 4(b) of the Regulation, where a corporation is an "offering corporation" (as the term is defined in the OBCA), the Application for Continuance must be accompanied by a consent from the Commission.

6. The Applicant is an "offering corporation" under the OBCA and is a reporting issuer under the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as amended (the "**Act**") and is also a reporting issuer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Nova Scotia, (collectively, with the Act, the "**Legislation**"). The Applicant is not a reporting issuer or equivalent in any other jurisdiction.

7. The Commission is the Applicant's principal regulator. Following the Continuance, the Commission will remain as the Applicant's principal regulator.

8. The Applicant is not in default under any provision of the OBCA or the Legislation, or any of the regulations or rules made under the OBCA or the Legislation.

9. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the OBCA or the Legislation.

10. A summary of the material provisions respecting the proposed Continuance was provided to the holders of Common Shares ("**Shareholders**") of the Applicant in the management information circular of the Applicant dated February 29, 2016 (the "**Circular**") in respect of the Applicant's annual and special meeting of Shareholders held on March 30, 2016 (the "**Meeting**"). The Circular was mailed to Shareholders of record at the close of business on February 29, 2016 and was filed on the System for Electronic Document Analysis and Retrieval on March 1, 2016.

11. In accordance with the OBCA, the special resolution of Shareholders obtained at the Meeting in connection with the proposed Continuance (the "**Continuance Resolution**") required the approval of a minimum majority of 66 ⅔% of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting. Each Shareholder was entitled to one vote for each Common Share held.

12. Shareholders had the right to dissent with respect to the proposed Continuance pursuant to Section 185 of the OBCA, and the Circular disclosed full particulars of this right in accordance with applicable law.

13. The Continuance Resolution was approved at the Meeting by 99.69% of the votes cast by the Shareholders in respect of the Continuance Resolution. None of the Shareholders exercised dissent rights pursuant to section 185 of the OBCA.

14. Following completion of the Continuance, the registered office of the Applicant will be located in British Columbia and the head office of the Applicant will remain in Ontario.

15. The Applicant believes that the BCBCA will provide the Applicant with greater flexibility than the OBCA with respect to the payment of dividends. Given that the BCBCA does not impose the same limitations on declarations of dividends as the OBCA, the Applicant seeks to continue under the BCBCA because the BCBCA will enable the Applicant to declare and pay dividends in a wider range of scenarios. Full disclosure of the reasons for and implications of the proposed Continuance were included in the Circular.

16. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA. A summary of certain differences between the two statutes, which was not intended to be exhaustive, was included in the Circular.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BCBCA.

DATED at Toronto, Ontario this 1st day of April, 2016.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

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