

The Ontario Securities Commission

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

**The Ontario Securities Commission**

Cadillac Fairview Tower  
22nd Floor, Box 55  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

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**Thomson Reuters**  
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416-609-3800 or 1-800-387-5164

Fax: 416-593-8122  
TTY: 1-866-827-1295

Fax: 416-593-2318



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One Corporate Plaza  
2075 Kennedy Road  
Toronto, Ontario  
M1T 3V4

Customer Relations  
Toronto 1-416-609-3800  
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# Table of Contents

<p><b>Chapter 1 Notices / News Releases .....4719</b></p> <p><b>1.1 Notices .....4719</b></p> <p>1.1.1 Notice of Amendments to the Securities Act ..... 4719</p> <p><b>1.2 Notices of Hearing ..... (nil)</b></p> <p><b>1.3 Notices of Hearing with Related Statements of Allegations .....4720</b></p> <p>1.3.1 Randy Zenovi Calmusky – ss. 127(1), 128(10)..... 4720</p> <p>1.3.2 Robert Bruce Rush and Breakthrough Financial Inc. – ss. 127(1), 127(10).....4724</p> <p>1.3.3 Fernando Postrado – ss. 127, 127.1 .....4729</p> <p><b>1.4 News Releases ..... (nil)</b></p> <p><b>1.5 Notices from the Office of the Secretary .....4732</b></p> <p>1.5.1 Randy Zenovi Calmusky.....4732</p> <p>1.5.2 Robert Bruce Rush and Breakthrough Financial Inc. ....4732</p> <p>1.5.3 Fernando Postrado.....4733</p> <p><b>1.6 Notices from the Office of the Secretary with Related Statements of Allegations ..... (nil)</b></p> <p><b>Chapter 2 Decisions, Orders and Rulings .....4735</b></p> <p><b>2.1 Decisions .....4735</b></p> <p>2.1.1 Ontario Power Generation Inc. and Ontario Power Generation Energy Trading, Inc. – s. 42 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting..... 4735</p> <p>2.1.2 Opta Minerals Inc. – s. 1(10)(a)(ii).....4739</p> <p>2.1.3 Wedge Acquisition Holdings Inc. – s. 1(10)(a)(ii)..... 4740</p> <p>2.1.4 Compagnie de Saint-Gobain .....4741</p> <p>2.1.5 Russell Investments Canada Limited .....4746</p> <p>2.1.6 Matco Financial Inc. et al.....4751</p> <p><b>2.2 Orders.....4753</b></p> <p>2.2.1 Loblaw Companies Limited – s. 104(2)(c)..... 4753</p> <p>2.2.2 Loblaw Companies Limited – s. 104(2)(c)..... 4758</p> <p>2.2.3 Loblaw Companies Limited – s. 104(2)(c).....4762</p> <p><b>2.3 Orders with Related Settlement Agreements..... (nil)</b></p> <p><b>2.4 Rulings ..... (nil)</b></p> <p><b>Chapter 3 Reasons: Decisions, Orders and Rulings ..... (nil)</b></p> <p><b>3.1 OSC Decisions..... (nil)</b></p> <p><b>3.2 Director’s Decisions..... (nil)</b></p> <p><b>3.3 Court Decisions ..... (nil)</b></p>	<p><b>Chapter 4 Cease Trading Orders ..... 4767</b></p> <p>4.1.1 Temporary, Permanent &amp; Rescinding Issuer Cease Trading Orders..... 4767</p> <p>4.2.1 Temporary, Permanent &amp; Rescinding Management Cease Trading Orders ..... 4767</p> <p>4.2.2 Outstanding Management &amp; Insider Cease Trading Orders ..... 4767</p> <p><b>Chapter 5 Rules and Policies ..... (nil)</b></p> <p><b>Chapter 6 Request for Comments ..... (nil)</b></p> <p><b>Chapter 7 Insider Reporting ..... 4769</b></p> <p><b>Chapter 9 Legislation..... 4841</b></p> <p>9.1.1 Bill 173, Jobs for Today and Tomorrow Act (Budget Measures), 2016 ..... 4841</p> <p><b>Chapter 11 IPOs, New Issues and Secondary Financings..... 4843</b></p> <p><b>Chapter 12 Registrations..... 4853</b></p> <p>12.1.1 Registrants..... 4853</p> <p><b>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories ..... 4855</b></p> <p><b>13.1 SROs ..... (nil)</b></p> <p><b>13.2 Marketplaces ..... 4855</b></p> <p>13.2.1 LatAm SEF, LLC – Application for Exemption from Recognition as an Exchange – OSC Notice and Request for Comment ..... 4855</p> <p><b>13.3 Clearing Agencies ..... 4868</b></p> <p>13.3.1 CDS – Material Amendments to CDS Rules Related to Timing of Novation – OSC Staff Notice of Request for Comment ..... 4868</p> <p><b>13.4 Trade Repositories ..... (nil)</b></p> <p><b>Chapter 25 Other Information ..... 4869</b></p> <p><b>25.1 Approvals ..... 4869</b></p> <p>25.1.1 Longview Asset Management Ltd. – s. 213(3)(b) of the LTCA ..... 4869</p> <p><b>Index..... 4871</b></p>
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# Chapter 1

## Notices / News Releases

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### 1.1 Notices

#### 1.1.1 Notice of Amendments to the Securities Act

On April 19, 2016, the Government's Bill 173, *Jobs for Today and Tomorrow Act (Budget Measures), 2016* received Royal Assent. Amendments to the *Securities Act* were included in Bill 173.

The Schedule 26 amendments came into force on April 19, 2016 except Sections 2 and 3 which come into force on a day to be named by proclamation of the Lieutenant Governor.

An explanation of this amendment is provided in chapter 9.

Questions may be referred to:

Paloma Ellard  
Senior Legal Counsel  
416-595-8906  
pellard@osc.gov.on.ca

**1.3 Notices of Hearing with Related Statements of Allegations**

**1.3.1 Randy Zenovi Calmusky – ss. 127(1), 127(10)**

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

**AND**

**IN THE MATTER OF  
RANDY ZENOVI CALMUSKY**

**NOTICE OF HEARING  
(Subsections 127(1) and 127(10) of the Securities Act)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the “Act”), at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on May 30, 2016 at 10:30 a.m., or as soon thereafter as the hearing can be held;

**TO CONSIDER** whether, pursuant to subsections 127(1) and 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Randy Zenovi Calmusky (“Calmusky”) that:
  - a. trading in any securities or derivatives by Calmusky cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;
  - b. the acquisition of any securities by Calmusky be prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
  - c. any exemptions contained in Ontario securities law do not apply to Calmusky permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;
  - d. Calmusky resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
  - e. Calmusky be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
  - f. Calmusky be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act; and
2. such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff of the Commission dated May 9, 2016, and by reason of an order of the Alberta Securities Commission (the “ASC”) dated January 12, 2016, and an Agreed Statement of Facts and Joint Submission on Sanction entered into between Calmusky and ASC Staff on November 24, 2015, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that at the hearing on May 30, 2016 at 10:30 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by 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 the party and such party is not entitled to any further notice of the proceeding;

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

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

**DATED** at Toronto this 11th day of May, 2016.

"Josée Turcotte"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
RANDY ZENOVI CALMUSKY**

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

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

**I. OVERVIEW**

1. Randy Zenovi Calmusky ("Calmusky") is subject to an order made by the Alberta Securities Commission ("ASC") dated January 12, 2016 (the "ASC Order") that imposes sanctions, conditions, restrictions or requirements upon him.
2. In its findings on liability and sanctions dated January 12, 2016 (the "Findings"), a panel of the ASC (the "ASC Panel") found that Calmusky engaged in a course of conduct that he knew or reasonably ought to have known would perpetrate a fraud, contrary to section 93(b) of the *Alberta Securities Act*, R.S.A. 2000 c. S-4 (the "Alberta Act").
3. Staff are seeking an inter-jurisdictional enforcement order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the *Ontario Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

**II. THE ASC PROCEEDINGS**

**Agreed Statement of Facts and Joint Submission on Sanction**

4. Prior to the commencement of the ASC proceedings, Calmusky and ASC Staff entered into an Agreed Statement of Facts and Joint Submission on Sanction (the "Statement"). Calmusky made admissions in the Statement concerning the allegation of fraud made against him by ASC Staff, and further admitted that his conduct was contrary to the public interest.

**Background – Agreed Facts**

5. The agreed facts contained within the Statement were accepted as accurate by the ASC Panel. A summary of the agreed facts is as follows.
6. Calmusky resides in Calgary. He has not previously been sanctioned by the ASC.
7. In or about October 2008, a company (910234 Alberta Ltd. ("910")), of which Calmusky was sole voting shareholder, sole director, president and controlling mind, entered into an agreement to govern an interest-bearing loan (the "Loan") to Lifestyle Homes Inc. ("Lifestyle").
8. 910 entered into Mortgage Sale and Servicing Agreements ("MSSAs") with various investors (the "Investors") between approximately 2008 and 2009. The MSSAs involved 910 selling Investors portions of the Loan, which 910 would continue to "administer and service" for their benefit. Pursuant to the MSSAs, the Investors were to earn a specified rate of interest, which was less than what Lifestyle was to pay on the Loan, and 910's only remuneration was the spread between the interest charged to Lifestyle and what was payable to the Investors, and certain out-of-pocket expenses. The MSSAs were to mature and be fully repaid at the same time as the Loan. 910 was to remit money to the Investors promptly upon its receipt of any payments from Lifestyle in respect of the Loan.
9. 910 advanced a total of \$1,750,000 to Lifestyle under the Loan in April and May 2011. At least \$1,093,600 of that was funded by the Investors. There was no evidence that Calmusky personally funded any portion of the Loan.
10. Lifestyle repaid the Loan in or around the spring of 2012. The amount of \$1,420,924.81 relating to this repayment made its way into a 910 trust account on May 15, 2012; however, "[r]ather than promptly remitting those funds to the Investors as required by the MSSAs, Calmusky caused \$798,101.99 to be transferred ... to his personal line of credit...that same day."
11. On May 29, 2012, "Calmusky caused another \$370,000 to be transferred from the [910 trust account] to his relatives," part to his mother and part to his brother. Other than possibly two \$20,000 advances made by Calmusky's mother in 2006, there is no evidence that she or Calmusky's brother ever funded any portion of the Loan.



12. The transfers made on May 15 and May 29, 2012, totalling \$1,168,101.99, were not disclosed to the Investors (the "Undisclosed Transfers").
13. Calmusky "had subjective knowledge" of the Undisclosed Transfers, and he "knew or ought to have known that [they] could deprive the Investors of some or all of their invested capital or increased the risk that some or all of such capital would be lost." The Undisclosed Transfers indeed "caused the Investors to lose some or all of their invested capital or increased the risk that some or all of such capital would be lost."
14. 910 went into receivership in December 2012. Bankruptcy followed in May 2013. Subsequent litigation culminated in an order (with Calmusky's consent) that he pay \$966,319 to 910's receiver.

#### The ASC Findings

15. In its Findings, the ASC Panel concluded that Calmusky engaged in a course of conduct that he knew or reasonably ought to have known would perpetrate a fraud, contrary to section 93(b) of the Alberta Act. The ASC Panel further found that Calmusky acted contrary to the public interest.

#### The ASC Order

16. The ASC Order imposed the following sanctions, conditions, restrictions or requirements upon Calmusky:
  - a. under sections 198(1)(b) and (c) of the Alberta Act, Calmusky must cease trading in or purchasing securities or derivatives, and all exemptions contained in Alberta securities laws do not apply to him, in each case permanently;
  - b. under sections 198(1)(c.1), (e.1), (e.2) and (e.3) of the Alberta Act, Calmusky is permanently prohibited from engaging in investor relations activities, advising in securities or derivatives, becoming or acting as a registrant, investment fund manager or promoter, or acting in a management or consultative capacity in connection with activities in the securities market;
  - c. under sections 198(d) and (e) of the Alberta Act, Calmusky must immediately resign all positions he holds as, and he is permanently prohibited from becoming or acting as, a director or officer (or both) of any issuer, registrant or investment fund manager;
  - d. under section 199 of the Alberta Act, Calmusky must pay an administrative penalty to the ASC of \$100,000; and
  - e. under section 202 of the Alberta Act, Calmusky must pay to the ASC \$15,000 of the costs of the ASC's investigation.

### III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

17. Calmusky is subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements upon him.
18. Pursuant to paragraphs 4 and 5 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.
19. Staff allege that it is in the public interest to make an order against Calmusky.
20. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
21. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

**DATED** at Toronto, this 9th day of May, 2016.

1.3.2 Robert Bruce Rush and Breakthrough Financial Inc. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF  
ROBERT BRUCE RUSH and  
BREAKTHROUGH FINANCIAL INC.

NOTICE OF HEARING  
(Subsections 127(1) and 127(10) of the Securities Act)

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the “Act”), at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on May 30, 2016 at 9:30 a.m., or as soon thereafter as the hearing can be held;

**TO CONSIDER** whether, pursuant to subsection 127(1) and paragraph 4 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Robert Bruce Rush (“Rush”) that:
  - a. trading in any securities or derivatives by Rush cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;
  - b. the acquisition of any securities by Rush be prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
  - c. any exemptions contained in Ontario securities law do not apply to Rush permanently, pursuant to paragraph 3 of subsection 127(1) of the Act;
  - d. Rush resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
  - e. Rush be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act; and
  - f. Rush be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
2. against Breakthrough Financial Inc. (“Breakthrough”) that:
  - a. trading in any securities of Breakthrough cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;
  - b. trading in any securities or derivatives by Breakthrough cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act; and
  - c. Breakthrough be prohibited permanently from becoming or acting as a registrant or promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
3. such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff of the Commission dated May 9, 2016, and by reason of an order of the British Columbia Securities Commission dated February 22, 2016, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that at the hearing on May 30, 2016 at 9:30 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 and section 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by 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 the party and such party is not entitled to any further notice of the proceeding;

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

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

**DATED** at Toronto this 11th day of May, 2016.

“Josée Turcotte”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
ROBERT BRUCE RUSH and  
BREAKTHROUGH FINANCIAL INC.**

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

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

**I. OVERVIEW**

1. Robert Bruce Rush ("Rush") and Breakthrough Financial Inc. ("Breakthrough") (collectively, the "Respondents") are subject to an order made by the British Columbia Securities Commission (the "BCSC") dated February 22, 2016 (the "BCSC Order") that imposes sanctions, conditions, restrictions or requirements upon them.
2. In its findings on liability and sanctions dated February 22, 2016 (the "Findings"), a panel of the BCSC (the "BCSC Panel") found that the Respondents perpetrated a fraud and engaged in unregistered trading. The BCSC Panel further found that Rush, as a director of Breakthrough, authorized, permitted and acquiesced in Breakthrough's contraventions of British Columbia securities laws.
3. Staff are seeking an inter-jurisdictional enforcement order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

**II. THE BCSC PROCEEDINGS**

**The BCSC Findings**

4. The conduct for which the Respondents were sanctioned took place between 2008 and 2012 (the "Material Time").
5. As of the date of the Findings, Rush was a resident of British Columbia. Rush was previously registered as a mutual fund salesperson under the British Columbia *Securities Act*, RSBC 1996, c. 418 (the "BC Act") from March 2005 and November 2007. Rush has not been registered in any capacity under the BC Act since November 2007.
6. Breakthrough was incorporated by Rush in British Columbia in January 2008. Breakthrough has never been registered under the BC Act. Rush was the sole officer and director of Breakthrough. Breakthrough was dissolved in August 2011 for failing to file Annual Reports.
7. During the Material Time, Rush advised an investor ("Investor G"), a former client, that she could re-invest her locked-in pension in higher return investments and do so on a tax-free basis. Investor G agreed to follow Rush's advice, and entered into a series of transactions that resulted in her effectively borrowing against her pension and receiving the cash proceeds therefrom.
8. Rush told Investor G about certain investments that were being promoted by a third party and offered through an investment company ("RHI"), one of which was a foreign exchange trading account. Investor G agreed to make an investment in a foreign exchange trading account.
9. In July 2008, Rush instructed Investor G to write a cheque for \$73,200 (funds derived from Investor G's borrowing against her pension) payable to Breakthrough, and that Rush would then forward the funds to RHI.
10. The BCSC Panel found, however, that Rush did not forward the \$73,200 to RHI as had been promised, and that further, it was clear from a review of Breakthrough's and Rush's banking records that the funds were used by Rush for personal expenses. Rush did not tell Investor G that her funds had not been sent to RHI, or that he had spent her funds on his personal expenses.
11. In March 2009, Rush incorporated another company, Avellanas Capital Management Inc. ("Avellanas"), to carry on his financial consulting business. Investor G received sporadic payments from either Breakthrough or Avellanas, totalling \$12,790, purportedly as returns on her investment. Investor G did not receive any funds directly from RHI.

12. Between 2009 and 2011, Investor G received three account statements from Rush or Avellanas purporting to show growth on her investment. In 2010, Investor G asked Rush to withdraw her investment from RHI. Investor G's funds were not returned to her, and Rush blamed RHI and its principal, FM, for the delay.
13. Investor G received a further two statements during 2011 and 2012, also reflecting investment growth, via emails she had started receiving from profxgrowth@gmail.com, an email address purportedly electronically signed by FM. The BCSC Panel found, however, that the emails sent to Investor G from profxgrowth@gmail.com were actually sent to her by Rush, not FM.
14. Investor G did not have any of her funds returned, except for the \$12,790 referred to above.
15. In its Findings, the BCSC Panel concluded that:
  - a. the Respondents perpetrated a fraud, contrary to section 57(b) of the BC Act on Investor G with respect to a trade in securities in the amount of \$73,200;
  - b. the Respondents traded in securities in contravention of section 34 of the BC Act with respect to the trade in securities to Investor G in the amount of \$73,200; and
  - c. Rush, pursuant to section 168.2 of the BC Act, is liable for the contraventions of sections 57(b) and 34 of the BC Act carried out by Breakthrough.

#### The BCSC Order

16. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:
  - a. upon Rush:
    - i. under section 161(1)(b), (c), and (d)(i) to (v) of the BC Act,
      1. Rush cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts;
      2. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply permanently to Rush;
      3. Rush resign any position he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant;
      4. Rush is permanently prohibited from becoming or acting as a registrant or promoter;
      5. Rush is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
      6. Rush is permanently prohibited from engaging in investor relations activities;
    - ii. under section 161(1)(g) of the BC Act, that Rush pay to the BCSC \$60,410; and
    - iii. under section 162 of the BC Act, that Rush pay to the BCSC an administrative penalty of \$200,000;
  - b. upon Breakthrough:
    - i. under sections 161(1)(b) and d(iii) and (v) of the BC Act,
    - ii. all persons cease trading permanently, and be permanently prohibited from purchasing any of its securities;
    - iii. Breakthrough cease trading in, and be prohibited from purchasing, any securities or exchange contracts, permanently;
    - iv. Breakthrough be permanently prohibited from becoming or acting as a registrant or promoter; and
    - v. Breakthrough is permanently prohibited from engaging in investor relations activities;

- vi. under section 161(1)(g) of the BC Act, that Breakthrough pay to the BCSC \$60,410; and
- vii. Rush and Breakthrough are jointly and severally liable with respect to the amounts owing to the BCSC pursuant to paragraphs 11(a)(ii) and 11(b)(vi).

**III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

- 17. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon them.
- 18. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.
- 19. Staff allege that it is in the public interest to make an order against the Respondents.
- 20. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
- 21. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

**DATED** at Toronto, this 9th day of May, 2016.

1.3.3 Fernando Postrado – ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
FERNANDO POSTRADO**

**NOTICE OF HEARING  
(Pursuant to 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*, RSO 1990, c S.5 (the “Act”), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on Thursday, May 19, 2016 at 3 p.m. or 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 May 16, 2016, between Staff of the Commission (“Staff”) and Fernando Postrado;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff dated May 16, 2016, 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.

**DATED** at Toronto this 17th day of May, 2016.

“Josée Turcotte”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
FERNANDO POSTRADO**

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

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

**(a) Overview**

1. Between July 10, 2015 and September 2, 2015, Fernando Postrado ("Fernando") engaged in insider trading contrary to subsection 76(1) of the *Securities Act*, R.S.O. 1990 c.S5, as amended (the "Act").
2. Fernando was tipped by his son, Andrei Miguel Postrado ("Andrei"). Andrei was employed in the real estate and construction tax department at KPMG LLP (Canada) ("KPMG"). Andrei obtained confidential undisclosed material information at KPMG respecting two reporting issuers: Company "A" and Company "B" (the "Reporting Issuers").
3. The undisclosed material information respecting the Reporting Issuers was that each of the Reporting Issuers was going to be bought by another entity.
4. Andrei was a person in a special relationship to the Reporting Issuers as a result of his employment with KPMG.
5. Andrei conveyed the undisclosed material information to Fernando. Fernando purchased securities of the Reporting Issuers while possessed of the undisclosed material information respecting the Reporting Issuers.
6. Fernando purchased securities of the Reporting Issuers in advance of the public announcement of the merger and acquisition ("M&A") transactions respecting the Reporting Issuers in online discount brokerage accounts with BMO InvestorLine ("BMO"), Questrade Inc. ("Questrade") and HSBC Securities Canada Inc. ("HSBC"). After the public announcement of the M&A transactions, Fernando sold the securities of the Reporting Issuers in his accounts to earn a profit of CAD \$101,776.96 and USD \$4,605.
7. Fernando was a person in a special relationship to the Reporting Issuers as he learned of the undisclosed material information from Andrei, a person who he ought reasonably to have known was in a special relationship with the Reporting Issuers.

**(b) The Respondent**

8. Fernando is 58 years of age. He lives in Toronto with Andrei.
9. Andrei was hired by KPMG in August 2014 in the real estate and construction industry tax department. He started at the entry-level position referred to as the technician level. His responsibilities were to prepare the simplest of tax returns for corporate clients.

**(c) Trading in Reporting Issuers**

**(i) Trading in Company A**

10. On July 10, 2015, Fernando opened his Questrade account. On July 13, 2015, Fernando opened his BMO account.
11. On July 20, 2015, Fernando bought a total of 10,190 Company A units through his BMO account, his Questrade account and his HSBC account at a total cost of \$81,800. On August 5 and August 7, 2015, Fernando purchased 3,450 additional units in his BMO account for approximately \$26,600. All units purchased in his BMO and Questrade account were purchased on margin.
12. Shortly after Fernando purchased the units of Company A, Company A announced that it had entered into an arrangement to be acquired. Prior to the public announcement that Company A was being acquired, it was trading at approximately \$7.75. On the day of the announcement, Company A was trading at approximately \$8.05.



13. Following the announcement that Company A was being acquired, Fernando sold his entire position in both his HSBC account and his BMO account. He sold the 355 shares of Company A in his Questrade account on August 31, 2015. Fernando earned an estimated profit of \$1,200.

**(ii) Trading in Company B**

14. Between August 10, 2015 and September 1, 2015, Fernando acquired 10,800 Company B shares for approximately \$91,775 at average share prices between \$8.30 and \$8.82. These purchases were made in his Questrade, HSBC and BMO accounts. The shares in his Questrade and BMO account were purchased on margin.
15. Shortly after Fernando purchased the shares of Company B, Company B announced that it had agreed to be acquired at more than \$18 per share. Company B's share price rose from approximately \$9 to approximately \$19 per share, following the takeover announcement.
16. On September 2, 2015, Fernando sold his position of Company B for approximately \$200,000. His estimated profit was approximately \$108,000.

**(d) Andrei tipped Fernando**

17. In or about July 2015, Andrei conveyed the information he had obtained about the Reporting Issuers to Fernando. He told Fernando that he believed that the Reporting Issuers would be good investments because he heard that they were about to be acquired. Fernando knew that Andrei worked in the tax department and that Andrei had the opportunity to know certain information about mergers and acquisitions.

**(e) Fernando committed insider trading**

18. Fernando purchased securities of the Reporting Issuers while possessed of the undisclosed material information that the Reporting Issuers were about to be acquired which Andrei had conveyed to him.
19. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto, this 16th day of May, 2016.

**1.5 Notices from the Office of the Secretary**

**1.5.1 Randy Zenovi Calmusky**

**FOR IMMEDIATE RELEASE  
May 12, 2016**

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

**AND**

**IN THE MATTER OF  
RANDY ZENOVI CALMUSKY**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on May 30, 2016 at 10:30 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated May 11, 2016 and Statement of Allegations of Staff of the Ontario Securities Commission dated May 9, 2016 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
SECRETARY

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.2 Robert Bruce Rush and Breakthrough Financial Inc.**

**FOR IMMEDIATE RELEASE  
May 16, 2016**

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

**AND**

**IN THE MATTER OF  
ROBERT BRUCE RUSH and  
BREAKTHROUGH FINANCIAL INC.**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on May 30, 2016 at 9:30 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated May 11, 2016 and Statement of Allegations of Staff of the Ontario Securities Commission dated May 9, 2016 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
SECRETARY

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

1.5.3 Fernando Postrado

**FOR IMMEDIATE RELEASE**  
**May 17, 2016**

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

**AND**

**IN THE MATTER OF  
FERNANDO POSTRADO**

**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 Fernando Postrado

The hearing will be held on May 19, 2016 at 3:00 p.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 May 17, 2016 and Statement of Allegations of Staff of the Ontario Securities Commission dated May 16, 2016 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOSÉE TURCOTTE  
SECRETARY

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Ontario Power Generation Inc. and Ontario Power Generation Energy Trading, Inc. – s. 42 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting

##### DIRECTOR'S EXEMPTION

##### IN THE MATTER OF ONTARIO POWER GENERATION INC. AND

##### ONTARIO POWER GENERATION ENERGY TRADING, INC.

##### DECISION

##### (Section 42 of Ontario Securities Commission Rule 91-507 Trade Repositories and Derivatives Data Reporting)

**WHEREAS** Financial Transmission Rights, Transmission Congestion Contracts, Virtual Transactions, and Bookouts (each as defined below, each a **“Financial Contract”** and collectively, **“Financial Contracts”**) are derivatives (as such term is defined in Section 1 of the Ontario *Securities Act* (the **Act**)) and are therefore subject to reporting obligations under Ontario Securities Commission (the **“OSC”** or the **“Commission”**) Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**);

**AND UPON** the application of Ontario Power Generation Inc. (**“OPG”**) and Ontario Power Generation Energy Trading, Inc. (**“OPGET”**, and together with OPG, the **“Applicants”**) to the Director (as such term is defined in Section 1 of the Act) for an order pursuant to Section 42 of OSC Rule 91-507 exempting the Applicants' transactions in Financial Contracts in the Financial Market (as defined below) from the reporting requirements under Part 3 of OSC Rule 91-507;

**AND UPON** the Applicants having represented to the Director that:

#### **Background:**

1. OPG is a corporation incorporated under the *Business Corporations Act* (Ontario) that is wholly-owned by the Government of Ontario pursuant to Part IV.1 of the *Electricity Act, 1998* (Ontario) (the **“Electricity Act”**);
2. OPGET is a corporation incorporated under the *Business Corporations Act* (Ontario) that is a wholly-owned subsidiary of OPG;
3. the objects of OPG include owning and operating generation facilities under subsection 53.1(1) of the *Electricity Act* and ancillary activities, such as trading in over-the-counter energy-related derivatives;
4. the objects of OPGET include trading electricity in the United States, which involves trading in over-the-counter energy-related derivatives;
5. the New York Independent System Operator, Inc. (**“NYISO”**), the ISO New England Inc. (**“ISO-NE”**), the PJM Interconnection, LLC (**“PJM”**) and the Midcontinent Independent System Operator, Inc. (**“MISO”**) are independent system operators and regional transmission operators (each individually, an **“ISO/RTO”** and collectively, the **“ISO/RTOs”**). The ISO/RTOs are authorized by the United States *Federal Power Act* (**“FPA”**) and the regulations made thereunder by the Federal Energy Regulatory Commission (**“FERC”**) to create and administer wholesale electricity markets in their respective jurisdictions within the United States ;
6. in carrying out their objects, FERC Order No. 2000 empowers and requires the ISO/RTOs to implement comprehensive codified sets of rules, tariffs, rate schedules, protocols, processes and policies to govern the wholesale electricity markets in their respective jurisdictions (**“Market Rules”**);
7. the wholesale electricity markets established, administered and operated by the ISO/RTOs in accordance with the FPA and the regulations thereunder, consist of both physical and financial markets;

## Decisions, Orders and Rulings

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8. each ISO/RTO establishes, administers and operates a physical market which governs the real-time operation of power systems, allowing load and generation to be balanced, flows on the transmission systems to be within limits, and voltage and frequency to be maintained (each a **"Physical Market"**);
9. in addition to the Physical Market, each ISO/RTO establishes, administers and operates a financial market for the trading of financial contracts linked to the Physical Market (each a **"Financial Market"**, together with the same ISO/RTO's Physical Market, a **"Market"**);
10. all persons participating in an ISO/RTO's Market must be approved in advance by the ISO/RTO as authorized market participants in accordance with the applicable Market Rules and are required to meet financial thresholds that are at least equal to those to be applied under OSC Rule 45-501 dealing with "accredited investors" (**"Authorized Market Participants"**);
11. the Applicants are Authorized Market Participants in each ISO/RTO's Market;
12. financial contracts traded in the Financial Markets may be linked to locational price differences across transmission paths and to price differences between the day-ahead energy market, which is the ISO/RTOs' advanced scheduling and commitment of resources required to meet the next day's level of physical electricity demand (the **"Day-Ahead Energy Market"**), and the real-time energy market, which is the ISO/RTOs' scheduling and commitment of resources in the current day, for the same specified locations and time periods (the **"Real-Time Energy Market"**);
13. a financial transmission right is a financial contract available to Authorized Market Participants in the Financial Markets administered by ISO-NE, MISO, and PJM to offset potential costs related to the congestion price risk of delivering energy to the grid when the grid is congested in the Day-Ahead Energy Market (**"Financial Transmission Right"**);
14. payments under a Financial Transmission Right are based on the difference between the price of electricity determined on an ISO/RTO's Physical Market at a specified injection point into the ISO/RTO's energy grid and a specified point where the electricity is deemed to have been withdrawn from the ISO/RTO's energy grid;
15. under an obligation-type Financial Transmission Right, the holder may be entitled to receive a payment or obligated to make a payment whereas under an option-type Financial Transmission Right, the holder may be entitled to receive a payment but is under no obligation to make payments;
16. a transmission congestion contract is a financial contract available to Authorized Market Participants in NYISO's Markets to hedge price fluctuations of transmission congestion by providing the holder a right to collect, or an obligation to pay, congestion rents in the Day-Ahead Energy Market for energy associated with transmission between specified points of injection and withdrawal (**"Transmission Congestion Contract"**);
17. a virtual transaction is a financial contract available to Authorized Market Participants of the ISO/RTOs for the purchase or sale of electricity in the Day-Ahead Energy Market that is not backed by physical assets such as load or generation resources at a specified location and where settlement occurs financially through an offsetting position which is automatically taken in the Real-Time Energy Market at the same specified location (a **"Virtual Transaction"**);
18. a bookout is a contract available to Authorized Market Participants of the ISO/RTOs for the purchase or sale of electricity in the Day-Ahead Energy Market with a feature that operates to offset the purchase or sale in the Day-Ahead Market prior to physical delivery or curtailment, with a transaction of equal and opposite volume for the same delivery period and location in the Real-Time Energy Market (a **"Bookout"**);
19. the provisions of the Market Rules are complete codes, covering the form and content of all the transactions in a ISO/RTO's Market, including the Financial Market;
20. Financial Contracts are issued by the ISO/RTOs to Authorized Market Participants in the Financial Markets in accordance with the Market Rules (the **"Primary Market"**);
21. the Market Rules may allow for the resale of Financial Contracts between Authorized Market Participants (the **"Secondary Market"**);

### Regulatory Oversight

22. the Applicants are not in default of securities legislation in any jurisdiction in Canada or the United States;
23. OPG operates pursuant to the license granted to it by the Ontario Energy Board (the **"OEB"**) under the *Ontario Energy Board Act, 1998* (the **"OEB Licence"**);

24. each ISO/RTO's Market is subject to monitoring and oversight by FERC in accordance with the Market Rules, FERC Order No. 2000, FERC Order No. 719 and FERC Regulation 35.47;
25. OPGET operates in each ISO/RTO's Market pursuant to the market-based rate authority FERC Electric Tariff, Docket No. ER-589-001, issued to it by FERC;
26. FERC is the principal regulatory body under the FPA vested with the powers to oversee the ISO/RTOs, including the ISO/RTO-administered Financial Markets;
27. FERC Order No. 719 requires: (i) each ISO/RTO to establish an internal market monitoring department ("**MMU**") and to provide the MMU with full and free access to all market data collected by the ISO/RTO and (ii) the MMU to report directly to the ISO/RTO's board of directors and to make a market surveillance report public at least quarterly;
28. FERC conducts real-time monitoring of each of the ISO/RTOs' Markets and analyses reports from each MMU;
29. FERC has broad investigative powers into the conduct of the ISO/RTOs and the authority to impose penalties, order disgorgement of ill-gotten profits and to impose criminal liability for willful violations of the FPA;
30. all transactions, including the Financial Contracts, concluded within the Markets must conform to the applicable ISO/RTO's Market Rules;
31. the regulation of each Market by the ISO/RTOs and FERC is comprehensive and consistent with the purposes of the Act; and
32. by Final Order 78 FR 19879 (2013), the United States Commodity Futures Trading Commission (the "CFTC"), in response to a petition from certain regional transmission equivalents and independent system operators, including the ISO/RTOs, exempted the Financial Contracts from the application of certain provisions of the United States *Commodity Exchange Act*, including the swap transaction reporting obligations therein ("**CFTC Order**");

**AND UPON** the Director being satisfied that exempting the Applicants from the reporting requirements under Part 3 of OSC Rule 91-507, in relation to Financial Contracts executed in the RTO/ISOs' Financial Markets, would not be prejudicial to the public interest;

**IT IS THE DECISION** of the Director that pursuant to section 42 of OSC Rule 91-507 that transactions in Financial Contracts executed by the Applicants with the ISO/RTOs in the Primary Market are exempt from the reporting requirements under Part 3 of OSC Rule 91-507;

**PROVIDED THAT:**

- a. OPG continues to operate pursuant to a valid OEB Licence;
- b. OPGET continues to operate pursuant to a valid FERC Electric Tariff;
- c. the Applicants remain in compliance with the Market Rules;
- d. transactions in the Financial Contracts continue to be excluded from CFTC swap data reporting requirements under the CFTC Order;
- e. each Financial Contract is linked to, and the aggregate volume of Financial Contracts for any period of time is limited by, the physical capability of the electricity transmission system operated by the ISO/RTO offering the Financial Contract, for such period;
- f. the Applicants promptly comply with requests from the Commission, on an as-needed basis, to share (i) positional data, (ii) transactional data, (iii) valuation data and (iv) clearing account data, within the Applicants' possession in respect of the Financial Contracts, including any information or documentation concerning such data, in a form acceptable to the Commission; and
- g. the Applicants shall not disclose to any person or company any request by the Commission for data, information, or documentation and shall maintain the confidentiality of the request and any response to it. Where disclosure may be required by law, the Applicants will, to the extent permitted by law, inform the Commission of the disclosure requirement.

**DATED** May 11, 2016

“Kevin Fine”  
Director, Derivatives  
Ontario Securities Commission



**2.1.2 Opta Minerals Inc. – s. 1(10)(a)(ii)**

**Headnote**

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

**Applicable Legislative Provisions**

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

May 13, 2016

Opta Minerals Inc.  
407 Parkside Drive  
Waterdown, Ontario, L0R 2H0

Dear Sirs/Mesdames:

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

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

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

The Applicant has represented to the Decision Makers that:

- a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

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

“Michael Tang”  
Acting Manager, Corporate Finance  
Ontario Securities Commission

**2.1.3 Wedge Acquisition Holdings Inc. – s. 1(10)(a)(ii)**

**Headnote**

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

**Applicable Legislative Provisions**

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

May 13, 2016

Wedge Acquisition Holdings Inc.  
c/o Stikeman Elliott LLP Attention : David Massé  
5300 Commerce Court West  
Toronto, Ontario, M5L 1B9

Dear Sirs/Mesdames:

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

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

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

The Applicant has represented to the Decision Makers that:

- a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

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

"Michael Tang"  
Acting Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.4 Compagnie de Saint-Gobain

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from prospectus and dealer registration requirements in respect of certain trades in units made in connection with an employee share offering by a French issuer – Relief from prospectus and dealer registration requirements upon the redemption of units for shares of the issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee prospectus exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions and the Manager cannot rely on the plan administrator exemption in section 8.16 of National Instrument 31-103 Registration Requirements and Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).  
National Instrument 31-103 Registration Requirements and Exemptions.  
National Instrument 45-102 Resale of Securities.  
National Instrument 45-106 Prospectus and Registration Exemptions.

May 13, 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  
COMPAGNIE DE SAINT-GOBAIN  
(THE “FILER”)

DECISION

### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) for

1. an exemption from the prospectus requirements of the Legislation (the “**Prospectus Relief**”) so that such requirements do not apply to
  - (a) trades in units (the “**Units**”) of a temporary *fonds commun de placement d'entreprise* or “**FCPE**,” a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors, named *Saint-Gobain Relais 2016 Monde* (the “**Temporary Classic FCPE**”), which will merge with Saint-Gobain Avenir Monde (the “**Principal Classic Compartment**”), a compartment of an FCPE named Saint-Gobain PEG Monde, following the Employee Share Offering (as defined below), such transaction being referred to as the “**Merger**”, as further described below (the term “**Classic Compartment**” used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic Compartment), made pursuant to the Employee Share Offering to or with Qualifying Employees (as defined below) resident in the Jurisdiction or in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia (collectively, the “**Canadian Employees**,” and Canadian Employees who subscribe for Units, the “**Canadian Participants**”); and

- (b) trades of ordinary shares of the Filer (the “**Shares**”) by the Classic Compartment to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants;
2. an exemption from the dealer registration requirements of the Legislation (the “**Registration Relief**”) so that such requirements do not apply to the Saint-Gobain Group (as defined below and which, for greater clarity, includes the Filer and the Canadian Affiliates (as defined below)), the Temporary Classic FCPE, the Principal Classic Compartment and Amundi Asset Management (the “**Management Company**”) in respect of:
- (a) trades in Units made pursuant to the Employee Share Offering to or with Canadian Employees; and
  - (b) trades in Shares by the Classic Compartment to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants.
- (the Prospectus Relief and the Registration Relief, collectively, the “**Offering Relief**”)

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia (together with the Jurisdiction, the “**Jurisdictions**”).

### Interpretation

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

### Representations

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions. The head office of the Filer is located in France and the Shares are listed on Euronext. The Filer is not in default under the Legislation or the securities legislation of the other Jurisdictions.
2. The Filer carries on business through certain affiliated companies that employ Canadian Employees, including CertainTeed Gypsum Canada Inc., CertainTeed Canada, Inc., Saint-Gobain Abrasives, Inc., Saint-Gobain Canada Inc., Saint-Gobain Ceramics & Plastics, Inc. and SAINT-GOBAIN ADFORS Canada, Ltd. (collectively, the “**Canadian Affiliates**,” and together with the Filer and other affiliates of the Filer, the “**Saint-Gobain Group**”).
3. Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions. None of the Canadian Affiliates is in default under the Legislation or the securities legislation of the other Jurisdictions.
4. The Filer has established a global employee share offering for employees of the Saint-Gobain Group (the “**Employee Share Offering**”). As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Compartment on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
5. The Employee Share Offering is comprised of one subscription option, being an offering of Shares to be subscribed through the Temporary Classic FCPE, which Temporary Classic FCPE will be merged with the Principal Classic Compartment after completion of the Employee Share Offering, subject to the decision of the supervisory boards of the FCPEs and the approval of the French AMF (defined below) (the “**Classic Plan**”).
6. Only persons who are employees of a member of the Saint-Gobain Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the “**Qualifying Employees**”) will be allowed to participate in the Employee Share Offering.

## Decisions, Orders and Rulings

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7. The Principal Classic Compartment and the Temporary Classic FCPE were established for the purposes of implementing employee share offerings and plans of the Filer. There is no current intention for these FCPEs to become reporting issuers under the Legislation or the securities legislation of the other Jurisdictions.
8. FCPEs are a form of collective shareholding vehicle commonly used in France for the conservation of shares held by employee-investors. The Principal Classic Compartment and the Temporary Classic FCPE have been registered with the French Autorité des marchés financiers (the “**French AMF**”). Only Qualifying Employees will be allowed to hold Units issued pursuant to the Employee Share Offering.
9. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the “**Lock-Up Period**”), subject to certain exceptions prescribed by French law and adopted under the Classic Plan in Canada (such as a release on death or termination of employment).
10. Under the Classic Plan, the subscription price will be the Canadian dollar equivalent of the average of the opening price of the Shares on Euronext (expressed in Euros) on the 20 trading days preceding the date of the fixing of the subscription price by the Chief Executive Officer of the Filer, less a 20% discount.
11. Canadian Participants who wish to subscribe will make a contribution to the Classic Plan (such contribution, the “**Employee Contribution**”). For each Canadian Participant who contributes, the Canadian Affiliate employing such Canadian Participant will make a contribution to the Classic Plan, for the benefit of, and at no cost to, the Canadian Participant, of an amount equal to 15% of such Employee Contribution up to a maximum amount of \$1,500 per Canadian Participant (the “**Employer Contribution**”).
12. The Temporary Classic FCPE will apply the cash received from the Employee Contributions and the Employer Contributions to subscribe for Shares from the Filer.
13. Initially, the Shares subscribed for will be held in the Temporary Classic FCPE and the Canadian Participants will receive Units in the Temporary Classic FCPE. Following the completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic Compartment (subject to the approval of the supervisory board of the FCPEs and the French AMF). Units of the Temporary Classic FCPE held by Canadian Participants will be replaced with Units of the Principal Classic Compartment on a *pro rata* basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Compartment (such transaction being referred to as the “**Merger**”). The Filer is relying on the exemption from the prospectus requirements of the Legislation pursuant section 2.11 of National Instrument 45-106 *Prospectus Exemptions* in respect of the issuance of Units of the Principal Classic Compartment to Canadian Participants in connection with the Merger.
14. At the end of the Lock-Up Period a Canadian Participant may
  - (a) request the redemption of Units in the Classic Compartment in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or
  - (b) continue to hold Units in the Classic Compartment and request the redemption of those Units at a later date in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.
15. In the event of an early unwind resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period and meeting the applicable criteria, the Canadian Participant may request the redemption of Units in the Classic Compartment in consideration for a cash payment equal to the then market value of the underlying Shares.
16. Dividends paid on the Shares held in the Classic Compartment will be contributed to the Classic Compartment and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued. The declaration of dividends on the Shares is determined by the board of directors of the Filer.
17. An FCPE is a limited liability entity under French law. The Classic Compartment’s portfolio will consist almost entirely of Shares and may, from time to time, also include cash in respect of dividends paid on the Shares which will be reinvested in Shares and cash or cash equivalents pending investments in Shares and for the purposes of Unit redemptions.
18. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and complies with the rules of the French AMF. To the best of the Filer’s knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the other Jurisdictions.

## Decisions, Orders and Rulings

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19. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Classic Compartment are limited to purchasing Shares from the Filer, selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.
20. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Compartment. The Management Company's activities do not affect the underlying value of the Shares. The Management Company is not in default of the Legislation or the securities legislation of the other Jurisdictions.
21. Shares issued in the Employee Share Offering will be deposited in the Principal Classic Compartment and/or the Temporary Classic FCPE, as applicable, through CACEIS Bank France (the "**Depository**"), a large French commercial bank subject to French banking legislation. The Depository carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each of the Principal Classic Compartment and the Temporary Classic FCPE to exercise the rights relating to the securities held in its respective portfolio.
22. The value of Units will be calculated and reported to the French AMF on a regular basis, based on the net assets of the Classic Compartment divided by the number of Units outstanding. The value of Units will be based on the value of the Shares.
23. All management charges relating to the Classic Compartment will be paid from the assets of the Classic Compartment or by the Filer, as provided in the regulations of the Classic Compartment.
24. Participation in the Employee Share Offering is voluntary, and the Canadian Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
25. The total amount invested by a Canadian Employee in the Employee Share Offering cannot exceed 25% of his or her gross annual compensation. The Employer Contribution will not be factored into the maximum amount that a Canadian Employee may contribute.
26. None of the Filer, the Management Company, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.
27. The Shares are not currently listed for trading on any stock exchange in Canada and the Filer has no intention to have the Shares so listed. As there is no market for the Shares in Canada, and none is expected to develop, any first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with the rules and regulations of, a foreign stock exchange outside of Canada.
28. Canadian Employees will receive, or will be notified of their ability to request, an information package on the Employee Share Offering in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering and a description of Canadian income tax consequences of subscribing for and holding the Units and redeeming Units at the end of the Lock-Up Period.
29. Canadian Employees will have access to or may request a copy of the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the rules of the Temporary Classic FCPE and the Principal Classic Compartment. The Canadian Employees will also have access to the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares generally.
30. Canadian Participants will receive an initial statement of their holdings under the Classic Plan, together with an updated statement at least once per year.
31. There are approximately 1,183 Canadian Employees resident in Canada, with the greatest number resident in Ontario (663), and the remainder in the other Jurisdictions who represent, in the aggregate, less than 1% of the number of employees in the Saint-Gobain Group worldwide.

### 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 Offering Relief is granted provided that the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision unless the following conditions are met:

## Decisions, Orders and Rulings

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- (a) the issuer of the security
  - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
  - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
- (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
  - (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
  - (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and
- (c) the first trade is made
  - (i) through an exchange, or a market, outside of Canada, or
  - (ii) to a person or company outside of Canada.

“Edward P. Kerwin”  
Commissioner  
Ontario Securities Commission

“William Furlong”  
Commissioner  
Ontario Securities Commission

## 2.1.5 Russell Investments Canada Limited

### Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of control of investment fund manager under s. 5.5(1)(a.1) of National Instrument 81-102 Investment Funds – the Buyer has no current plans to change the Manager of the Funds, or to amalgamate or merge the current Manager with any other entity, for the foreseeable future.

### Applicable Legislative Provisions

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

May 11, 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  
RUSSELL INVESTMENTS CANADA LIMITED  
(THE MANAGER)

DECISION

### Background

The principal regulator in the Jurisdiction has received an application from the Manager for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval pursuant to subsection 5.5(1)(a.1) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) of a change of control (the **Change of Control**) of the Manager (the **Approval Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator (the **Principal Regulator**) for this application; and
- (b) the Manager has provided notice pursuant to section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) that the Approval Sought is intended to be relied upon in each province and territory of Canada.

### Interpretation

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

### Representations

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

#### *The Manager and the Funds*

1. The Manager is a corporation incorporated under the *Canada Business Corporations Act* and has its head office in Toronto, Ontario.



## Decisions, Orders and Rulings

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2. The Manager is registered in each of the provinces and territories of Canada in the categories of investment fund manager, portfolio manager and exempt market dealer. The Manager also is registered in Ontario as a commodity trading manager and as a mutual fund dealer exempt from membership in the Mutual Funds Dealer Association of Canada. The Manager also is registered in Manitoba as an advisor (commodities).
3. The Manager is the investment fund manager of the investment funds listed in Schedule "A" hereto (each, a **Fund**).
4. The Manager is not in default of securities legislation in any province or territory of Canada.
5. Each Fund is a reporting issuer in all of the provinces and territories of Canada and distributes, or has distributed, its securities to the public pursuant to disclosure documents filed under National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*.
6. The Funds are not in default of applicable securities legislation in any of the provinces or territories of Canada.
7. The Manager is a direct, wholly-owned subsidiary of Frank Russell Company (**FRC**) which, in turn, is indirectly wholly-owned by London Stock Exchange Group plc (**LSEG**). FRC is headquartered in Seattle, Washington, United States of America.
8. The Manager is one part of the subsidiaries and assets that comprise FRC's global asset management business (**Russell Investments**).

### *Proposed Change of Control of the Manager*

9. On October 8, 2015, Emerald Acquisition Limited (the **Buyer**) entered into a stock and asset purchase agreement (the **Purchase Agreement**) with FRC and LSEG pursuant to which the Buyer, through one or more direct or indirect wholly-owned subsidiaries, will acquire Russell Investments, including the Manager (the **Proposed Transaction**).
10. Russell Investments is comprised of FRC, the Manager and other affiliates of FRC around the world in the asset management business, including Russell Implementation Services Inc. (**RIS**) and Russell Investment Management Company (**RIMCo**). RIS is registered with the United States Securities and Exchange Commission (the **SEC**) as an investment adviser and a broker-dealer. RIMCo is registered with the SEC as an investment adviser. Russell Investments is a global asset manager with approximately C\$318.2 billion of assets under management as of September 30, 2015, of which approximately C\$12.8 billion constituted the aggregate net assets of the Funds or approximately 4.0% of the global assets under management of Russell Investments. Accordingly, FRC's Canadian business managed by the Manager is not the primary asset being acquired by the Buyer through the Proposed Transaction.
11. FRC also currently operates the Russell Indexes business. However, the Russell Indexes business is not being sold to the Buyer and will be retained by LSEG.
12. A press release dated October 8, 2015 was issued by LSEG announcing the details of the Proposed Transaction.
13. Subject to obtaining requisite regulatory approvals, including the Approval Sought, the parties expect the Proposed Transaction to be completed in the first half of 2016.

### *The Buyer*

14. The Buyer is a company incorporated under the laws of England and Wales. The Buyer is a newly formed special purpose entity that will be owned indirectly by:
  - (a) the limited partners of certain private funds (the **TA Funds**) managed by TA Associates Management, L.P. (**TA**) through the TA AIVs (as defined below);
  - (b) the limited partners of certain private funds (the **Reverence Capital Funds**) managed by Reverence Capital Partners, L.P. (**Reverence Capital**) through either the Reverence Capital AIVs (as defined below) or specific Reverence Capital Funds, namely Reverence Capital Partners Opportunities Fund I (Cayman), L.P. and RCP Emerald Co-Invest, L.P. (the **Specific Reverence Capital Funds**).
15. The TA Funds are private equity funds that participate in large equity investments arranged by TA. The Reverence Capital Funds are private equity funds that participate in large equity investments arranged by Reverence Capital.

16. The Buyer will be owned directly by:
- (a) alternative investment vehicles held by the limited partners of certain TA Funds (collectively, the **TA AIVs**);
  - (b) alternative investment vehicles held by the limited partners of certain Reverence Funds (collectively, the **Reverence Capital AIVs**); and
  - (c) the Specific Reverence Capital Funds.
17. Each of the TA AIVs, the Reverence Capital AIVs and the Specific Reverence Capital Funds is, or will be, organized as a Cayman Islands limited partnership.
18. At the closing of the Proposed Transaction (the **Closing**), pursuant to equity contributions:
- (a) the limited partners of certain TA Funds, indirectly through the TA AIVs, will acquire approximately a 66.7% outstanding ownership interest in the Buyer; and
  - (b) the limited partners of certain Reverence Capital Funds, indirectly through the Reverence Capital AIVs and the Specific Reverence Capital Funds, will acquire approximately a 33.3% outstanding ownership interest in the Buyer.

In addition, approximately 15% of the fully diluted equity of the Buyer will be reserved for a management equity incentive plan for senior management of Russell Investments, and certain members of senior management will be required to and/or have the right to use certain proceeds of their pre-existing incentive compensation to subscribe for equity of the Buyer (in such amounts as will be less than 10% on a fully diluted basis).

*Impact of the Proposed Transaction*

19. The Proposed Transaction is structured as a stock and asset purchase transaction, with the Buyer purchasing the stock of certain subsidiaries (**Transferred Subsidiaries**), including the Manager, and assets (the **Transferred Assets**) of FRC. The Buyer expects to form several intermediate holding companies for the purpose of acquiring certain of the Transferred Subsidiaries from FRC, including the Manager. Accordingly, the Buyer will hold its interest in the Manager through these holding companies, none of which are expected to become registrants in Canada.
20. As the Buyer does not currently manage any investment funds in Canada, the Manager anticipates that there will be no duplication of Canadian personnel, systems, products or services resulting from the Proposed Transaction which will require rationalization. The Buyer confirms that following completion of the Proposed Transaction:
- (a) no current directors, officers or employees of the Buyer or its affiliates are expected to become involved in the day-to-day management of the Funds;
  - (b) there is no current intention to change any of the directors, officers, advising representatives or associate advising representatives of the Manager; and
  - (c) the directors, officers and employees of the Manager will continue the day-to-day management of the Funds.
21. Accordingly, completion of the Proposed Transaction is not expected to result in any material changes to the business, operations or affairs of any Fund, any securityholder of the Funds, or the Manager. In particular, the Buyer confirms that :
- (a) the completion of the Proposed Transaction is not expected to result in any changes to:
    - (i) how the Manager operates or manages the Funds;
    - (ii) the investment objectives and strategies of the Funds;
    - (iii) the fees or expenses that are charged to the Funds;
    - (iv) the custodian or trustee of the Funds; or
    - (v) adversely affect the Manager's financial position or its ability to fulfill its regulatory obligations;

## Decisions, Orders and Rulings

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- (b) there is no current intention to amalgamate or merge the Manager with another investment fund manager or to change the manager of the Funds within the foreseeable future; and
  - (c) there is no current intention to change the management teams or supervisory personnel of the Manager.
22. Upon the Change of Control, the members of the independent review committee (the **IRC**) of the Funds will cease to be IRC members by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds*. Immediately following the Change of Control, the IRC will be reconstituted with the same members.

### *Notice Requirements*

23. Notice of the change of control that will result from the Proposed Transaction was provided by mail to all securityholders of the Funds on February 29, 2016 in accordance with the requirements of Section 5.8(1) of NI 81-102.
24. A notice regarding the Proposed Transaction was sent to the Compliance and Registrant Regulation Branch of the Principal Regulator on February 5, 2016 pursuant to section 11.10 of National Instrument 31-103 *Registration Requirements and Exemptions*.

### **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 Approval Sought is granted.

“Raymond Chan”  
Manager, Investment Funds and Structured Products Branch  
Ontario Securities Commission

**Schedule A**

**Funds**

Russell LifePoints Conservative Income Portfolio	Russell Global Equity Pool
Russell LifePoints Balanced Income Portfolio	Russell Emerging Markets Equity Pool
Russell LifePoints Balanced Portfolio	Russell Global Infrastructure Pool
Russell LifePoints Balanced Growth Portfolio	Russell Global Real Estate Pool
Russell LifePoints Long-Term Growth Portfolio	Russell Multi-Asset Fixed Income
Russell LifePoints All Equity Portfolio	Russell Money Market Pool
Russell LifePoints Conservative Income Class Portfolio	Russell Income Essentials Portfolio
Russell LifePoints Balanced Income Class Portfolio	Russell Real Assets Portfolio
Russell LifePoints Balanced Class Portfolio	Russell Diversified Monthly Income Portfolio
Russell LifePoints Balanced Growth Class Portfolio	Russell Multi-Asset Growth & Income
Russell LifePoints Long-Term Growth Class Portfolio	Russell Short Term Income Class
Russell LifePoints All Equity Class Portfolio	Russell Fixed Income Class
Russell Canadian Cash Fund	Russell Global Unconstrained Bond Class
Russell Canadian Fixed Income Fund	Russell Global High Income Bond Class
Russell Inflation Linked Bond Fund	Russell Canadian Dividend Class
Russell Canadian Equity Fund	Russell Focused Canadian Equity Class
Russell US Equity Fund	Russell Canadian Equity Class
Russell Overseas Equity Fund	Russell Global Smaller Companies Class
Russell Global Equity Fund	Russell Focused US Equity Class
Russell Short Term Income Pool	Russell US Equity Class
Russell Fixed Income Pool	Russell Overseas Equity Class
Russell Global Unconstrained Bond Pool	Russell Focused Global Equity Class
Russell Global High Income Bond Pool	Russell Global Equity Class
Russell Canadian Dividend Pool	Russell Emerging Markets Equity Class
Russell Focused Canadian Equity Pool	Russell Money Market Class
Russell Canadian Equity Pool	Russell Multi-Asset Fixed Income Class
Russell Global Smaller Companies Pool	Russell Income Essentials Class Portfolio
Russell Focused US Equity Pool	Russell Diversified Monthly Income Class Portfolio
Russell US Equity Pool	Russell Multi-Asset Growth & Income Class
Russell Overseas Equity Pool	
Russell Focused Global Equity Pool	

2.1.6 Matco Financial Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 Investment Funds – approval required because reorganization does not meet the criteria for pre-approved reorganizations and transfers – the fundamental investment objectives and the fee structures of the terminating funds and the continuing funds are not substantially similar – securityholders of terminating funds are provided with timely and adequate disclosure regarding the reorganization.

Applicable Legislative Provisions

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

Citation: Re Matco Financial Inc., 2016 ABASC 129

May 12, 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  
MATCO FINANCIAL INC.  
(the Filer)

AND

MATCO ENERGY EQUITY FUND  
(the Terminating Fund)

AND

MATCO SMALL CAP FUND  
(the Continuing Fund)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filer on behalf of the Terminating Fund and the Continuing Fund (each a **Fund** and together, the **Funds**) for a decision under the securities legislation (the **Legislation**) of the Jurisdictions for approval (the **Approval Sought**), pursuant to paragraph 5.5(1)(b) of National

Instrument 81-102 *Investment Funds (NI 81-102)*, of the proposed reorganization (**Reorganization**) of the Terminating Fund with the Continuing Fund.

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

- (a) the Alberta Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Saskatchewan and Manitoba; and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. The Filer is a corporation governed by the laws of Alberta and is registered under the securities legislation of Alberta, British Columbia, Manitoba, New Brunswick, Ontario and Saskatchewan as a portfolio manager, investment fund manager and mutual fund dealer. The Filer is the investment fund manager of the Funds.
2. The head office of the Filer is located in Calgary, Alberta.
3. Each of the Funds is represented by a separate class of shares of Matco Funds Corp. (the **Corporation**), a corporation governed by the laws of Alberta, with each class of shares being issuable in Series A shares, Series F shares and Series O shares. Each separate series of shares of the Corporation has its own portfolio of assets within the Corporation. The Continuing Fund and the Terminating Fund employ identical procedures for determining the net asset value of their assets.
4. Each of the Funds currently distributes its securities in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan pursuant to a simplified prospectus, annual information form and fund facts documents, each dated June 26, 2015, and each Fund is a reporting issuer under the securities legislation of each of those jurisdictions.

5. Neither the Filer nor either of the Funds is in default of any of the requirements of securities legislation in any jurisdiction of Canada.
6. The Reorganization satisfies all of the criteria for pre-approved reorganizations and transfers set forth in subsection 5.6(1) of NI 81-102 except a reasonable person may not consider the fundamental investment objectives or the fee structure of the Terminating Fund or both to be substantially similar to those of the Continuing Fund.
7. The Reorganization was announced in a joint news release of the Funds, issued April 7, 2016 through the facilities of Canadian Newswire. The Filer prepared and filed a material change report in accordance with the section 11.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* on behalf of the Terminating Fund on April 15, 2016, which is available on SEDAR. The Filer believes that the Reorganization does not constitute a material change as defined under NI 81-106 for the Continuing Fund.
8. The securityholders of the Terminating Fund approved the Reorganization as prescribed under subsection 5.1(f) of NI 81-102 (the **Securityholder Approval**) at a special meeting held on April 29, 2016 (the **Meeting**). In connection with the Meeting, the Filer sent each securityholder of the Terminating Fund a management information circular (the **Circular**), a related form of proxy and the fund facts document of the Continuing Fund relating to each series of shares issued by the Continuing Fund. The Circular prepared in connection with the Meeting provided a comparison of the fundamental investment objectives, fee structures and other material differences between the Funds.
9. The Reorganization is subject to receipt of the Approval Sought and it is expected that it will be completed as soon as practicable after the Approval Sought has been granted and in any event within three business days of date of this decision (the **Effective Date**).
10. On or prior to the Effective Date, the Filer shall cause the Corporation to sell all of the securities held by the Terminating Fund (the **Terminating Fund Assets**) for cash. The Terminating Fund Assets will be sold for cash because such assets do not align with the Continuing Fund's investment objectives. The cash resulting from the sale of the Terminating Fund Assets will be used by the Continuing Fund to make investments aligned with its current investment objectives.
11. Upon receiving the Approval Sought, the Filer and the Corporation shall enter into a series of transactions listed immediately below in order to effect the Reorganization.
  - (a) All cash realized from the sale of the Terminating Fund Assets and any other assets of the Terminating Fund, less any amount required to satisfy the liabilities of the Terminating Fund, shall be transferred to the Continuing Fund.
  - (b) All securityholders in the Terminating Fund shall be issued securities of the same series in the Continuing Fund as they hold in the Terminating Fund in exchange for their securities in the Terminating Fund. The securities of the Continuing Fund received by the securityholders of the Terminating Fund will have an aggregate net asset value equal to the value of the net assets of the Terminating Fund.
  - (c) The proposed share exchange will be completed on a tax deferred basis pursuant to subsection 86(1) of the *Income Tax Act (Canada)*.
  - (d) The Terminating Fund will be wound up as soon as reasonably possible following the completion of the foregoing transactions.
12. The independent review committee of each of the Funds (the **IRCs**) established pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds* has reviewed the potential conflict of interest matters involved in a reorganization structured in the same manner as the Reorganization and, after reasonable inquiry, concluded that such a reorganization would achieve a fair and reasonable result for the Funds involved and accordingly has granted standing approval to the Filer to effect such a reorganization.
13. The Filer will bear all transaction costs associated with the sale of the Terminating Fund Assets and all other transaction costs associated with the Reorganization, consisting primarily of proxy solicitation, printing, mailing, legal and regulatory fees and brokerage commissions in connection with any realignment of the portfolios of the Continuing Fund or the Terminating Fund. No fees or expenses, including, for greater certainty, any switching fees, will be payable by the securityholders of the Terminating Fund in connection with the Reorganization.
14. The securityholders of the Terminating Fund will continue to have the right to redeem the shares of the Terminating Fund for cash at any time up to the close of business on the Effective Date.

15. Following the Reorganization, all systematic programs that had been established with respect to the Terminating Fund will be re-established on a series-for-series basis in the Continuing Fund, unless a securityholder advises the Filer otherwise.
16. The Filer believes that the Reorganization will be beneficial to securityholders of the Funds for the following reasons:
- (a) securityholders of the Terminating Fund may benefit from the relatively lower degree of volatility and diversification associated with the investments of the Continuing Fund, as compared with the investments of the Terminating Fund;
  - (b) securityholders of the Terminating Fund will benefit from the fee structure of the Continuing Fund, which does not include the same performance fee arrangement as the Terminating Fund;
  - (c) the Continuing Fund will have a greater level of assets which in turn is expected to allow for increased portfolio diversification opportunities and greater liquidity of investments within the Continuing Fund;
  - (d) securityholders of the Terminating Fund and the Continuing Fund may enjoy increased economies of scale for operating expenses as part of a larger combined Continuing Fund; and
  - (e) the Continuing Fund, as a result of its larger size, may benefit from a larger profile in the marketplace.

**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 Approval Sought is granted.

“Denise Weeres”  
Manager, Legal  
Corporate Finance

**2.2 Orders**

**2.2.1 Loblaw Companies Limited – s. 104(2)(c)**

**Headnote**

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, a total of up to 1,600,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the Order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
LOBLAW COMPANIES LIMITED**

**ORDER  
(Clause 104(2)(c))**

**UPON** the application (the “**Application**”) of Loblaw Companies Limited (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order of the Commission pursuant to clause 104(2)(c) of the

*Securities Act* (Ontario) (the “**Act**”) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the “**Issuer Bid Requirements**”) in respect of the proposed purchases by the Issuer of up to 1,600,000 of the Issuer’s common shares (collectively, the “**Subject Shares**”) in one or more trades with The Toronto-Dominion Bank (the “**Selling Shareholder**”);

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

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

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.
2. The registered office of the Issuer is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7 and its national head office is located at 1 President’s Choice Circle, Brampton, Ontario L6Y 5S5.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the “**Common Shares**”) are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “L”. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The Issuer’s authorized share capital consists of an unlimited number of Common Shares, 1,000,000 First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series, of which 407,421,728 Common Shares, no First Preferred Shares and 9,000,000 Second Preferred Shares, Series B were issued and outstanding as of April 25, 2016.
5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.
6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder is the beneficial owner of at least 1,600,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.
8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.
9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after March 12, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.
10. The Selling Shareholder is at arm’s length to the Issuer and is not an “insider” of the Issuer, an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the Act. In addition, the Selling Shareholder is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
11. Pursuant to a “Notice of Intention to Make a Normal Course Issuer Bid” filed with, and accepted by, the TSX dated April 25, 2016 (the “**Notice**”), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the “**Normal Course Issuer Bid**”) during the 12-month period beginning on April 28, 2016 and ending on April 27, 2017 to a maximum of 21,401,867 Common Shares, representing approximately 10% of the public float, calculated in accordance with the rules of the TSX, as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX or through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX NCIB Rules**”), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an “**Off-Exchange Block Purchase**”). The TSX has (a) indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid, and (b) confirmed that it does not object to the Proposed Purchases.
12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an “**Agreement**”), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more trades, each occurring on or after May 6, 2016 and before April 27, 2017 (each such purchase, a “**Proposed Purchase**”) for a purchase price (each such price, a “**Purchase Price**” in respect of such Proposed Purchase) that will be negotiated at arm’s length



- between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.
13. The Subject Shares acquired under each Proposed Purchase will constitute a “block” as that term is defined in section 628 of the TSX NCIB Rules.
14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an “issuer bid” for the purposes of the Act to which the Issuer Bid Requirements would apply.
15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur “through the facilities” of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.
16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a “block purchase” (a “**Block Purchase**”) in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.
17. The sale of any of the Subject Shares to the Issuer will not be a “distribution” (as defined in the Act).
18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer’s funds.
20. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer’s security holders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.
21. To the best of the Issuer’s knowledge, as of April 25, 2016, the “public float” of the Common Shares represented approximately 53% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.
22. The Common Shares are “highly-liquid securities” within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.
23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.
24. At the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Derivatives Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any “material change” or “material fact” (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.
25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.
26. The Issuer has made two other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 370,000 Common Shares from one holder of Common Shares and up to 1,100,000 Common Shares from another

holder of Common Shares, each pursuant to one or more private agreements (the “**Concurrent Applications**”). As of the date of this Order, no Common Shares have been acquired by the Issuer pursuant to the Normal Course Issuer Bid, including pursuant to Off-Exchange Block Purchases.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 7,133,955 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.

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

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

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,600,000 Common Shares, and the maximum

number of Common Shares that are the subject of the Concurrent Applications, being 1,470,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 3,070,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 14.3% of the maximum of 21,401,867 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

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

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

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

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

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

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

(f) at the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the

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

- (g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each such Proposed Purchase;
- (h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;
- (i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 7,133,955 Common Shares; and
- (j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

**DATED** at Toronto this 3rd day of May, 2016.

"Mary Condon"  
Vice-Chair  
Ontario Securities Commission

"Christopher Portner"  
Commissioner  
Ontario Securities Commission

**2.2.2 Loblaw Companies Limited – s. 104(2)(c)**

**Headnote**

Subsection 104(2)(c) of the Act – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, a total of up to 1,100,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and has not, for a minimum of 30 days prior to the date of the application seeking the requested relief, purchased common shares of the Issuer in anticipation or contemplation of a sale of common shares to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or public shareholders – proposed purchases exempt from the issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the Order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

**Statutes Cited**

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

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

**AND**

**IN THE MATTER OF  
LOBLAW COMPANIES LIMITED**

**ORDER  
(Clause 104(2)(c))**

**UPON** the application (the “**Application**”) of Loblaw Companies Limited (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order of the Commission pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the “**Act**”) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and

sections 97 to 98.7, inclusive, of the Act (the “**Issuer Bid Requirements**”) in respect of the proposed purchases by the Issuer of up to 1,100,000 of the Issuer’s common shares (collectively, the “**Subject Shares**”) in one or more trades with the Royal Bank of Canada (the “**Selling Shareholder**”);

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

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

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.
2. The registered office of the Issuer is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7 and its national head office is located at 1 President’s Choice Circle, Brampton, Ontario L6Y 5S5.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the “**Common Shares**”) are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “L”. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The Issuer’s authorized share capital consists of an unlimited number of Common Shares, 1,000,000 First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series, of which 407,421,728 Common Shares, no First Preferred Shares and 9,000,000 Second Preferred Shares, Series B were issued and outstanding as of April 25, 2016.
5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.
6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder is the beneficial owner of at least 1,100,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.
8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on

- its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.
9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after March 12, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.
10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, the Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
11. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX dated April 25, 2016 (the "**Notice**"), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the "**Normal Course Issuer Bid**") during the 12-month period beginning on April 28, 2016 and ending on April 27, 2017 to a maximum of 21,401,867 Common Shares, representing approximately 10% of the public float, calculated in accordance with the rules of the TSX, as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX or through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**"). The TSX has (a) indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid, and (b) confirmed that it does not object to the Proposed Purchases.
12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more trades, each occurring on or after May 6, 2016 and before April 27, 2017 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.
13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.
14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.
15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.
16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.
17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).
18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.
21. To the best of the Issuer's knowledge, as of April 25, 2016, the "public float" of the Common Shares represented approximately 53% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.
22. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.
23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.
24. At the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Trading Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.
25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.
26. The Issuer has made two other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 370,000 Common Shares from one holder of Common Shares and up to 1,600,000 Common Shares from another holder of Common Shares, each pursuant to one or more private agreements (the "**Concurrent Applications**"). As of the date of this Order, no Common Shares have been acquired by the Issuer pursuant to the Normal Course Issuer Bid, including pursuant to Off-Exchange Block Purchases.
27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 7,133,955 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.
28. In accordance with the Notice, the Issuer may implement an automatic share repurchase plan (a "Plan") that would permit the Issuer to make purchases under the Normal Course Issuer Bid during internal trading blackout periods, including regularly scheduled quarterly blackout periods, when the Issuer would not otherwise be permitted to trade in its Common Shares (each such time, a "**Blackout Period**"). No Plan is in place as of the date of this Order. The form of any Plan will be pre-approved by the TSX and will comply with the TSX NCIB Rules, applicable securities laws and this Order. If the Issuer implements a Plan, the terms of such Plan will provide that, at times when it is not subject to blackout restrictions, the Issuer may, but will not be required to, instruct its designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the Plan. Such purchases under the Plan will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any Blackout Period in accordance with the TSX NCIB Rules, applicable securities laws (including this Order) and the terms of the agreement between the designated broker and the Issuer. In the event the Issuer implements a Plan prior to completing the Proposed Purchases, the Issuer will ensure that such Plan contains provisions restricting the Issuer from conducting any Block Purchases during any calendar week in which the Issuer completes a Proposed Purchase.
29. The Issuer will not purchase Subject Shares, under a Plan or otherwise, pursuant to the Proposed Purchases during designated Blackout Periods administered in accordance with the Issuer's corporate policies and no Agreement will be negotiated or entered into during a Blackout Period.
30. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,100,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 1,970,000 Common Shares, the Issuer will have purchased

under the Normal Course Issuer Bid an aggregate of 3,070,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 14.3% of the maximum of 21,401,867 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

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

- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- (b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;
- (c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;
- (d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX and, subject to condition (i) below, by Off-Exchange Block Purchases;
- (e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;
- (f) at the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Equity Trading Group of the Selling Share-

holder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

- (g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") following the completion of each such Proposed Purchase;
- (h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;
- (i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 7,133,955 Common Shares; and
- (j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

**DATED** at Toronto this 3rd day of May, 2016.

"Mary Condon"  
Vice Chair  
Ontario Securities Commission

“Christopher Portner”  
Commissioner  
Ontario Securities Commission

**2.2.3 Loblaw Companies Limited – s. 104(2)(c)**

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

**AND**

**IN THE MATTER OF  
LOBLAW COMPANIES LIMITED**

**ORDER  
(Clause 104(2)(c))**

**UPON** the application (the “**Application**”) of Loblaw Companies Limited (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order of the Commission pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the “**Act**”) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the “**Issuer Bid Requirements**”) in respect of the proposed purchases by the Issuer of up to 370,000 of the Issuer’s common shares (collectively, the “**Subject Shares**”) in one or more trades with the Bank of Montreal (the “**Selling Shareholder**”);

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

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

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.
2. The registered office of the Issuer is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7 and its national head office is located at 1 President’s Choice Circle, Brampton, Ontario L6Y 5S5.
3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and the common shares of the Issuer (the “**Common Shares**”) are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “L”. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The Issuer’s authorized share capital consists of an unlimited number of Common Shares, 1,000,000 First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series, of which 407,421,728 Common Shares, no First Preferred Shares and 9,000,000 Second Preferred Shares, Series B were issued and outstanding as of April 25, 2016.



5. The corporate headquarters of the Selling Shareholder is located in the Province of Ontario.
6. The Selling Shareholder does not, directly or indirectly, own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder is the beneficial owner of at least 370,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.
8. The Subject Shares are held by the Selling Shareholder in connection with arrangements to hedge client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase (as defined below) is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.
9. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after March 12, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares to the Issuer.
10. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, the Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.
11. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX dated April 25, 2016 (the "Notice"), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the "Normal Course Issuer Bid") during the 12-month period beginning on April 28, 2016 and ending on April 27, 2017 to a maximum of 21,401,867 Common Shares, representing approximately 10% of the public float, calculated in accordance with the rules of the TSX, as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX or through alternative trading systems, if eligible, or by such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "TSX NCIB Rules"), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "Off-Exchange Block Purchase"). The TSX has (a) indicated that it will not object to Off-Exchange Block Purchases being completed pursuant to the Normal Course Issuer Bid, and (b) confirmed that it does not object to the Proposed Purchases.
12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "Agreement"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more trades, each occurring on or after May 6, 2016 and before April 27, 2017 (each such purchase, a "Proposed Purchase") for a purchase price (each such price, a "Purchase Price" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.
13. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.
14. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.
15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.
16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "Block Purchase") in accordance with the block purchase exception in clause 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a “distribution” (as defined in the Act).
18. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to subsection 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of the Issuer’s funds.
20. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer’s security holders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.
21. To the best of the Issuer’s knowledge, as of April 25, 2016, the “public float” of the Common Shares represented approximately 53% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.
22. The Common Shares are “highly-liquid securities” within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.
23. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.
24. At the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Trading Products group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided any advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any “material change” or “material fact” (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.
25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.
26. The Issuer has made two other applications to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 1,600,000 Common Shares from one holder of Common Shares and up to 1,100,000 Common Shares from another holder of Common Shares, each pursuant to one or more private agreements (the “**Concurrent Applications**”). As of the date of this Order, no Common Shares have been acquired by the Issuer pursuant to the Normal Course Issuer Bid, including pursuant to Off-Exchange Block Purchases.
27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 7,133,955 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Applications.
28. In accordance with the Notice, the Issuer may implement an automatic share repurchase plan (a “**Plan**”) that would permit the Issuer to make purchases under the Normal Course Issuer Bid during internal trading blackout periods, including regularly scheduled quarterly blackout periods, when the Issuer would not otherwise be permitted to trade in its Common Shares (each such time, a “**Blackout Period**”). No Plan is in place as of the date of this Order. The form of any Plan will be pre-approved by the TSX and will comply with the TSX NCIB Rules, applicable securities laws and this Order. If the Issuer implements a Plan, the terms of such Plan will provide that, at times when it is not subject to blackout restrictions, the Issuer may, but will not be required to, instruct its designated broker to make purchases under the Normal Course Issuer Bid in accordance with the terms of the Plan. Such purchases under the Plan will be determined by the designated broker in its sole discretion based on parameters established by the Issuer prior to any Blackout Period in accordance with the TSX NCIB Rules, applicable securities laws (including this Order) and the terms of the agreement between the designated broker and the Issuer. In the event the Issuer

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

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

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 370,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Applications, being 2,700,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 3,070,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 14.3% of the maximum of 21,401,867 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

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

- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- (b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules, or another Off-Exchange Block Purchase, during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;
- (c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

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

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

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

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

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

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 7,133,955 Common Shares; and

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

**DATED** at Toronto this 3rd day of May, 2016.

“Mary Condon”  
Vice Chair  
Ontario Securities Commission

“Christopher Portner”  
Commissioner  
Ontario Securities Commission

## 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
Red Ore Gold Inc.	11 September 2014	23 September 2014	23 September 2014	17 May 2016

### Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
All in West! Capital Corporation	11 May 2016	
HLD Land Development Limited Partnership	12 May 2016	
LWP Capital Inc.	12 May 2016	
Oracle Mining Corp.	16 May 2016	
VidWRX Inc.	12 May 2016	

### 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
Blueocean Nutrasciences Inc.	03 May 2016	16 May 2016	16 May 2016		
Golden Leaf Holdings Ltd.	03 May 2016	16 May 2016	16 May 2016		
Matica Enterprises Inc.	17 May 2016	30 May 2016			
Stompy Bot Corporation	04 May 2016	16 May 2016	16 May 2016		
Valeant Pharmaceuticals International, Inc.	17 May 2016	30 May 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
Blueocean Nutrasciences Inc.	03 May 2016	16 May 2016	16 May 2016		
Dynex Power Inc.	05 May 2016	18 May 2016			
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015		
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015		

**Cease Trading Orders**

<b>Company Name</b>	<b>Date of Order or Temporary Order</b>	<b>Date of Hearing</b>	<b>Date of Permanent Order</b>	<b>Date of Lapse/ Expire</b>	<b>Date of Issuer Temporary Order</b>
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015		
GeneNews Limited	31 March 2016	13 April 2016	13 April 2016		
Golden Leaf Holdings Ltd.	03 May 2016	16 May 2016	16 May 2016		
Kitrinor Metals Inc.	06 May 2016	18 May 2016			
Matica Enterprises Inc.	17 May 2016	30 May 2016			
Northern Power Systems Corp.	31 March 2016	13 April 2016	13 April 2016		
Red Tiger Mining Inc.	06 May 2016	18 May 2016			
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Stompy Bot Corporation	04 May 2016	16 May 2016	16 May 2016		
Valeant Pharmaceuticals International, Inc.	17 May 2016	30 May 2016			

## Chapter 7

# Insider Reporting

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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](http://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](http://www.sedi.ca)).





## Chapter 9

# Legislation

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### 9.1.1 Bill 173, Jobs for Today and Tomorrow Act (Budget Measures), 2016

#### BILL 173, JOBS FOR TODAY AND TOMORROW ACT (BUDGET MEASURES), 2016

Schedule 26 of the *Jobs for Today and Tomorrow Act (Budget Measures), 2016* (Bill 173) contained a number of amendments to the *Securities Act*. Bill 173 received Royal Assent on April 19, 2016 and has become chapter 5, Statutes of Ontario, 2016.

Schedule 26 may be viewed on the Ontario Legislative Assembly's website at [www.ontla.on.ca](http://www.ontla.on.ca). The text of Schedule 26 is also reflected in the consolidated version of the *Securities Act*, available on the Ontario e-laws site at [www.e-laws.gov.on.ca](http://www.e-laws.gov.on.ca).

#### SCHEDULE 26 SECURITIES ACT

The Schedule makes various amendments to the *Securities Act*.

Section 17 of the Act is amended to allow compelled information to be disclosed in a proceeding before the Commission or the Director.

Section 76 of the Act is amended to include a prohibition on a person or company in a special relationship with an issuer from recommending or encouraging another person or company to trade in securities of the issuer with inside information.

The new Part XXI.2 of the Act prohibits reprisals against employees for providing information about a possible contravention of Ontario securities law, or a by-law or other regulatory instrument of a recognized self-regulatory organization, or for being involved in an investigation or proceeding related to the information provided.

Section 142 of the Act is amended to provide that certain rules relating to derivatives do not apply to the Crown.

The rule-making powers of the Commission in section 143 of the Act, relating to record keeping, reporting and transparency requirements, are amended.

[Note: Schedule 26 amendments came into force on April 19, 2016 except Sections 2 and 3 which come into force on a day to be named by proclamation of the Lieutenant Governor.]

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Advanced Folio Fund  
Aggressive Folio Fund  
Balanced Folio Fund  
Canadian Dividend Class (Laketon)  
Canadian Equity Class  
Canadian Equity Class (Laketon)  
Canadian Equity Fund (Laketon)  
Canadian Growth Class (GWLIM)  
Canadian Growth Fund (GWLIM)  
Canadian Low Volatility Class (London Capital)  
Canadian Value Class (FGP)  
Cash Management Class  
Conservative Folio Fund  
Core Bond Fund (Portico)  
Core Plus Bond Fund (Portico)  
Corporate Bond Fund (Portico)  
Diversified Fixed Income Folio Fund  
Dividend Class (GWLIM)  
Dividend Fund (GWLIM)  
Focused Canadian Equity Class (CGOV)  
Global Dividend Class (Setanta)  
Global Equity Class (Setanta)  
Global Infrastructure Equity Fund (London Capital)  
Global Low Volatility Fund (ILIM)  
Global Monthly Income Fund (London Capital)  
Global Real Estate Fund (London Capital)  
Growth and Income Class (GWLIM)  
Income Fund (Portico)  
International Equity Class (Putnam)  
International Equity Fund (Putnam)  
Mackenzie Canadian Concentrated Equity Fund  
Mackenzie Canadian Large Cap Balanced Fund  
Mackenzie Canadian Large Cap Dividend Fund  
Mackenzie Canadian Large Cap Growth Fund  
Mackenzie Canadian Resource Fund  
Mackenzie Emerging Markets Class  
Mackenzie Floating Rate Income Fund  
Mackenzie Global Growth Class  
Mackenzie Ivy European Class  
Mackenzie Ivy Foreign Equity Fund  
Mackenzie Ivy Global Balanced Fund  
Mackenzie Precious Metals Class  
Mackenzie Strategic Income Fund  
Mackenzie US All Cap Growth Fund  
Mackenzie US Mid Cap Growth Class  
Mid Cap Canada Fund (GWLIM)  
Moderate Folio Fund  
Money Market Fund  
Monthly Income Fund (London Capital)  
North American High Yield Bond Fund (Putnam)  
North American Specialty Class  
Real Return Bond Fund (Portico)  
Short Term Bond Fund (Portico)  
U.S. and International Equity Class  
U.S. and International Specialty Class

U.S. Dividend Class (GWLIM)  
U.S. Low Volatility Fund (Putnam)  
U.S. Value Class (Putnam)  
U.S. Value Fund (London Capital)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated May 6, 2016  
NP 11-202 Receipt dated May 10, 2016

**Offering Price and Description:**

Quadrus series, D5 series, H series, H5 series, L series, L5 series, N series, N5 series, QF series, QF5 series and Series R Securities

**Underwriter(s) or Distributor(s):**

Quadrus Investment Services Ltd.  
Quadrus Investment Services Inc.

**Promoter(s):**

Mackenzie Financial Corporation  
**Project #2481507**

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**Issuer Name:**

CI G5|20 2041 Q3 Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

Class A, F and O Units

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

CI Investments Inc.  
**Project #2484377**

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**Issuer Name:**

CI G5|20i 2036 Q3 Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

Class A, F and O Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

CI Investments Inc.  
**Project #2484375**

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**Issuer Name:**

Crombie Real Estate Investment Trust  
Principal Regulator - Nova Scotia

**Type and Date:**

Preliminary Short Form Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$131,600,280.00 - 8,952,400 Subscription Receipts each  
representing the right to receive one Unit  
Price: \$14.70 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Canaccord Genuity Corp.  
Raymond James Ltd.  
Desjardins Securities Inc.

**Promoter(s):**

-

**Project #2483931**

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**Issuer Name:**

Ecolomondo Corporation Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Long Form Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

US\$ \* - 2,000,000 Class A Common Shares  
Price: US\$ \* per Class A Common Share

**Underwriter(s) or Distributor(s):**

Chardan Capital Markets, LLC  
Leede Jones Gable Inc.

**Promoter(s):**

-

**Project #2485028**

**Issuer Name:**

Enerplus Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$200,100,000.00 - 29,000,000 Common Shares  
Price: \$6.90 per Common Share

**Underwriter(s) or Distributor(s):**

BMO NESBITT BURNS INC.  
RBC DOMINION SECURITIES INC.  
TD SECURITIES INC.  
CIBC WORLD MARKETS INC.  
NATIONAL BANK FINANCIAL INC.  
SCOTIA CAPITAL INC.  
FIRSTENERGY CAPITAL CORP.  
BARCLAYS CAPITAL CANADA INC.  
RAYMOND JAMES LTD.  
DESJARDINS SECURITIES INC.  
MACQUARIE CAPITAL MARKETS CANADA LTD.

**Promoter(s):**

-

**Project #2482587**

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**Issuer Name:**

Knight Therapeutics Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$200,000,000 - 25,000,000 Common Shares  
Price: \$8.00 per Offered Share

**Underwriter(s) or Distributor(s):**

GMP SECURITIES L.P.  
CORMARK SECURITIES INC.  
NATIONAL BANK FINANCIAL INC.  
BLOOM BURTON & CO. LIMITED  
LAURENTIAN BANK SECURITIES INC.  
MACKIE RESEARCH CAPITAL CORPORATION  
PARADIGM CAPITAL INC.  
TD SECURITIES INC.

**Promoter(s):**

-

**Project #2484450**

**Issuer Name:**

Neovasc Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Base Shelf Prospectus dated May 12, 2016  
NP 11-202 Receipt dated May 12, 2016

**Offering Price and Description:**

U.S.\$200,000,000.00  
Common Shares  
Preferred Shares  
Debt Securities  
Subscription Receipts  
Units  
Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2483595**

---

**Issuer Name:**

ProMetic Life Sciences Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated May 10, 2016  
NP 11-202 Receipt dated May 10, 2016

**Offering Price and Description:**

\$60,140,000.00 - 19,400,000 Common Shares  
Price: \$3.10 Per Common Share

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
Canaccord Genuity Corp.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
National Bank Financial Inc.  
Paradigm Capital Inc.  
Beacon Securities Limited

**Promoter(s):**

-

**Project #2482069**

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**Issuer Name:**

Sprott Physical Gold Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated May 10, 2016  
NP 11-202 Receipt dated May 11, 2016

**Offering Price and Description:**

Offering: U.S.\$1,500,000,000.00 - Trust Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2482183**

**Issuer Name:**

Sprott Physical Platinum and Palladium Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated May 10, 2016  
NP 11-202 Receipt dated May 11, 2016

**Offering Price and Description:**

Offering: U.S.\$200,000,000.00 - Trust Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2482184**

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**Issuer Name:**

Sun Life Multi-Strategy Target Return Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated May 10, 2016  
NP 11-202 Receipt dated May 11, 2016

**Offering Price and Description:**

Series A Units, Series F Units, Series I Units and Series O Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Sun Life Global Investments (Canada) Inc.

**Project #2482161**

---

**Issuer Name:**

Sun Life Multi-Strategy Target Return Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated May 10, 2016  
NP 11-202 Receipt dated May 11, 2016

**Offering Price and Description:**

Series A Units, Series F Units, Series I Units and Series O Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Sun Life Global Investments (Canada) Inc.

**Project #2485287**

**Issuer Name:**

Whitecap Resources Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$470,000,400.00 - 51,087,000 Subscription Receipts each  
representing the right to receive one Common Share  
Price \$9.20 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
TD Securities Inc.  
Scotia Capital Inc.  
GMP Securities L.P.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
FirstEnergy Capital Corp.  
Peters & Co. Limited  
Cormark Securities Inc.  
AltaCorp Capital Inc.  
Macquarie Capital Markets Canada Ltd.

**Promoter(s):**

-

**Project #2482192**

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**Issuer Name:**

Yangarra Resources Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 11, 2016  
NP 11-202 Receipt dated May 11, 2016

**Offering Price and Description:**

\$10,000,000.00 - 10,000,000 Common Shares  
\$1.00 per Common Share

**Underwriter(s) or Distributor(s):**

AltaCorp Capital Inc.  
Acumen Capital Finance Partners Limited  
Clarus Securities Inc.  
Dundee Securities Ltd.  
Industrial Alliance Securities Inc.  
Paradigm Capital Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #2480914**

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**Issuer Name:**

Agrium Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Base Shelf Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

U.S.\$2,500,000,000.00  
Common Shares  
Preferred Shares  
Subscription Receipts  
Debt Securities  
Share Purchase Contracts  
Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2480253**

---

**Issuer Name:**

Blackbird Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

Up to \$25,020,000.00 - Up to 153,400,000 Units  
Up to 13,400,000 Flow-Through Shares  
Price: \$0.15 per Unit and \$0.15 per Flow-Through Share

**Underwriter(s) or Distributor(s):**

DUNDEE SECURITIES LTD.  
HAYWOOD SECURITIES INC.  
SCOTIA CAPITAL INC.  
RAYMOND JAMES LTD.  
CORMARK SECURITIES INC.  
MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

-

**Project #2473227**

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**Issuer Name:**

Brookfield Business Partners L.P.  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

20,000,000 Limited Partnership Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Brookfield Asset Management Inc.  
**Project #2431416**

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**Issuer Name:**

Brookfield Canada Office Properties  
Principal Regulator - Ontario

**Type and Date:**

Final Base Shelf Prospectus dated May 9, 2016  
NP 11-202 Receipt dated May 10, 2016

**Offering Price and Description:**

\$750,000,000.00

Trust Units  
Debt Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #2475678

---

**Issuer Name:**

Global Infrastructure Equity Fund (London Capital)  
Quadrus series, D5 series, H series, H5 series, L series, L5 series, N series and N5 series Securities  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated May 6, 2016 to the Simplified  
Prospectus and Annual Information Form dated November  
27, 2015

NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Quadrus Investment Services Ltd.

**Promoter(s):**

MACKENZIE FINANCIAL CORPORATION

Project #2404409

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**Issuer Name:**

Canadian Scholarship Trust Family Savings Plan  
Canadian Scholarship Trust Individual Savings Plan  
Canadian Scholarship Trust Group Savings Plan 2001  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 9, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #2454466, 2454469, 2454460

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**Issuer Name:**

Continental Gold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$25,000,000.00 - 10,000,000 Units

Price: \$2.50 per Unit

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Clarus Securities Inc.  
BMO Nesbitt Burns Inc.  
GMP Securities L.P.  
Dundee Securities Ltd.  
RBC Dominion Securities Inc.

**Promoter(s):**

-

Project #2479256

---

**Issuer Name:**

CU Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Base Shelf Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$1,500,000,000.00 - Debentures (Unsecured)

**Underwriter(s) or Distributor(s):**

RBC DOMINION SECURITIES INC.  
BMO NESBITT BURNS INC.  
TD SECURITIES INC.  
SCOTIA CAPITAL INC.  
CIBC WORLD MARKETS INC.

**Promoter(s):**

-

Project #2480350

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**Issuer Name:**

Freegold Ventures Limited  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated May 13, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

Minimum \$3,000,000.00 - 16,666,667 Units

Maximum \$10,000,000.00 - 55,555,555 Units

Price: \$0.18 per Unit

**Underwriter(s) or Distributor(s):**

Paradigm Capital Inc.

**Promoter(s):**

-

Project #2478467

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**Issuer Name:**

Freehold Royalties Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated May 16, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

\$165,003,300.00 - 14,286,000 Common Shares  
Price: \$11.55 per Common Share

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
Altacorp Capital Inc.  
National Bank Financial Inc.  
Dundee Securities Ltd.  
Macquarie Capital Markets Canada Ltd.  
Barclays Capital Canada Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #2478604**

---

**Issuer Name:**

Horizons Morningstar Hedge Fund Index ETF  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 12, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

Class E Units and Advisor Class Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

ALPHAPRO MANAGEMENT INC.

**Project #2467397**

**Issuer Name:**

Open Text Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Base Shelf Prospectus dated May 10, 2016  
NP 11-202 Receipt dated May 10, 2016

**Offering Price and Description:**

U.S. \$1,000,000,000.00  
Common Shares

**Underwriter(s) or Distributor(s):**

Preference Shares  
Debt Securities  
Depository Shares  
Warrants  
Purchase Contracts  
Units  
Subscription  
Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2478650**

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**Issuer Name:**

Peyto Exploration & Development Corp.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated May 11, 2016  
NP 11-202 Receipt dated May 11, 2016

**Offering Price and Description:**

\$150,000,000.00 - 4,687,500 Common Shares  
Price: \$32.00 per Common Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
FirstEnergy Capital Corp.  
RBC Dominion Securities Inc.  
Peters & Co. Limited  
Scotia Capital Inc.  
TD Securities Inc.  
CIBC World Markets Inc.  
Raymond James Ltd.  
Canaccord Genuity Corp.  
Haywood Securities Inc.

**Promoter(s):**

-

**Project #2475868**



**Issuer Name:**

RBC U.S. Dividend Currency Neutral Fund  
(Series A, Advisor Series, Advisor T5 Series, Series T5,  
Series D, Series F, Series FT5 and  
Series O units)  
RBC QUBE Low Volatility U.S. Equity Currency Neutral  
Fund  
(Series A, Advisor Series, Series T5, Series D, Series F,  
Series FT5 and Series O units)  
RBC Global Dividend Growth Currency Neutral Fund  
(Series A, Advisor Series, Series T5, Series D, Series F,  
Series FT5 and Series O units)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated May 6, 2016  
NP 11-202 Receipt dated May 10, 2016

**Offering Price and Description:**

Series A, Advisor Series, Advisor T5 Series, Series T5,  
Series D, Series F, Series FT5 and Series O units

**Underwriter(s) or Distributor(s):**

RBC Global Asset Management Inc.  
Royal Mutual Funds Inc  
RBC Global Asset Management Inc.

**Promoter(s):**

RBC Global Asset Management Inc.

**Project #2466093**

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**Issuer Name:**

Redwood Equity Growth Class\* (Series A and F shares)  
Redwood Income Growth Class\* (Series A and F shares)  
Redwood Unconstrained Bond Class\* (Series X, Y, A and  
F shares)  
Redwood Global Equity Strategy Class\* (Series X, Y, A  
and F shares)  
Redwood Diversified Equity Fund (Series A and F units)  
Redwood Floating Rate Preferred Fund (Series A and F  
units)  
Redwood Global Small Cap Fund (Series A and F units)  
(\*each a class of shares of Ark Mutual Funds Ltd., a mutual  
fund corporation )  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated May 11, 2016  
NP 11-202 Receipt dated May 16, 2016

**Offering Price and Description:**

Series X, Y, A and F shares and units

**Underwriter(s) or Distributor(s):**

Redwood Asset Management Inc.

**Promoter(s):**

-

**Project #2466746**

**Issuer Name:**

Renaissance Ultra Short-Term Income Private Pool  
(formerly Frontiers Canadian Short Term Income Pool)  
(Class A, Premium, F-Premium, N-Premium, and O units)  
Renaissance Canadian Fixed Income Private Pool  
(formerly Frontiers Canadian Fixed Income Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I and O units)  
Renaissance Equity Income Private Pool  
(formerly Frontiers Equity Income Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I and O units)  
Renaissance Canadian Equity Private Pool  
(formerly Frontiers Canadian Equity Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I and O units)  
Renaissance U.S. Equity Private Pool  
(formerly Frontiers U.S. Equity Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I, O, Class H-  
Premium, H-Premium T4, H-Premium  
T6, NH-Premium, NH-Premium T4, NH-Premium T6, FH-  
Premium, FH-Premium T4, FH-Premium  
T6, and OH units)

Renaissance U.S. Equity Currency Neutral Private Pool  
(formerly Frontiers U.S. Equity Currency Neutral Pool)  
(Class O units)

Renaissance International Equity Private Pool  
(formerly Frontiers International Equity Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I, O, Class H-  
Premium, H-Premium T4, H-Premium  
T6, NH-Premium, NH-Premium T4, NH-Premium T6, FH-  
Premium, FH-Premium T4, FH-Premium  
T6, and OH units)

Renaissance Emerging Markets Equity Private Pool  
(formerly Frontiers Emerging Markets Equity Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I, O, Class H-  
Premium, H-Premium T4, H-Premium  
T6, NH-Premium, NH-Premium T4, NH-Premium T6, FH-  
Premium, FH-Premium T4, FH-Premium  
T6, and OH units)

Renaissance Global Bond Private Pool  
(formerly Frontiers Global Bond Pool)  
(Class A, Premium, Premium-T4, Premium-T6, C, F-  
Premium, F-Premium T4, F-Premium T6,  
N-Premium, N-Premium T4, N-Premium T6, I, and O units)  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Simplified Prospectuses and  
Annual Information Form dated April 19, 2016 (the  
amended prospectus) amending and restating the  
Simplified Prospectuses and Annual Information Form  
dated December 16, 2015  
NP 11-202 Receipt dated May 10, 2016

**Offering Price and Description:**

Class A, Premium, Premium-T4, Premium-T6, C, F-Premium, F-Premium T4, F-Premium T6, N-Premium, N-Premium T4, N-Premium T6, I, O, Class H-Premium, H-Premium T4, H-Premium T6, NH-Premium, NH-Premium T4, NH-Premium T6, FH-Premium, FH-Premium T4, FH-Premium T6, and OH units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #2408744**

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**Issuer Name:**

Russell US Equity Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #7 dated May 9, 2016 to the Simplified Prospectus and Annual Information Form dated June 30, 2015

NP 11-202 Receipt dated May 12, 2016

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Russell Investments Canada Limited  
Russell Investments Canada Limited

**Promoter(s):**

Russell Investments Canada Limited

**Project #2357197**

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**Issuer Name:**

Sabina Gold & Silver Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated May 13, 2016

NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

\$30,008,300.00 - 18,410,000 Common Shares

\$1.63 per Common Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
Canaccord Genuity Corp.  
Cormack Securities Inc.  
RBC Dominion Securities Inc.  
Dundee Securities Ltd.  
Haywood Securities Inc.  
National Bank Financial Inc.  
Paradigm Capital Inc.

**Promoter(s):**

-

**Project #2481045**

**Issuer Name:**

Sun Life Multi-Strategy Target Return Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 11, 2016

NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

Series A Units, Series F Units, Series I Units and Series O Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Sun Life Global Investments (Canada) Inc.

**Project #2482161**

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**Issuer Name:**

Sun Life Multi-Strategy Target Return Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 11, 2016

NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Sun Life Global Investments (Canada) Inc.

**Project #2485287**

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**Issuer Name:**

Vanguard Global Liquidity Factor ETF  
Vanguard Global Minimum Volatility ETF  
Vanguard Global Momentum Factor ETF  
Vanguard Global Value Factor ETF  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated May 10, 2016

NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Vanguard Investments Canada Inc.

**Project #2456112**

**Issuer Name:**

Westshire Capital II Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final CPC Prospectus dated May 11, 2016  
NP 11-202 Receipt dated May 13, 2016

**Offering Price and Description:**

Minimum Offering: \$300,000 (3,000,000 common shares)  
Maximum Offering: \$800,000 (8,000,000 common shares)  
Price: \$0.10 per common share

**Underwriter(s) or Distributor(s):**

MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

Norman Tsui

**Project #2470045**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Aegon Capital Management Inc. To: Foresters Asset Management Inc. /Gestion D'actifs Foresters inc.	Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer	May 4, 2016
Name Change	From: Aegon Fund Management Inc. To: Foresters Financial Investment Management Company of Canada Inc. /Societe De Gestion De Placements Financiers Canadiens Foresters inc.	Investment Fund Manager	May 4, 2016
Consent to Suspension (Pending Surrender)	Tempest Funds General Partnership	Portfolio Manager & Investment Fund Manager	May 12, 2016
Amalgamation	Bellwether Investment Management Inc. and Index Wealth Management Inc. To Form: Bellwether Investment Management Inc.	Investment Fund Manager, Portfolio Manager, and Exempt Market Dealer	April 15, 2016
Voluntary Surrender	BNP Paribas Investment Partners Canada Ltd.	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer and Commodity Trading Manager	May 10, 2016
New Registration	Kilgharrah Asset Management Inc.	Portfolio Manager	May 16, 2016
Amalgamation	Burgeonvest Bick Securities Limited and Industrielle Alliance Valeurs Mobilières Inc. / Industrial Alliance Securities Inc. To form: Industrielle Alliance Valeurs Mobilières Inc. / Industrial Alliance Securities Inc.	Investment Dealer	May 1, 2016
Amalgamation	Certika Investments Ltd. and Excel Private Wealth Inc. To form: Excel Private Wealth Inc.	Mutual Fund Dealer	February 1, 2016

**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
New Registration	Collins Barrow SNT Corporate Finance Inc.	Exempt Market Dealer	May 17, 2016

## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

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### 13.2 Marketplaces

#### 13.2.1 LatAm SEF, LLC – Application for Exemption from Recognition as an Exchange – OSC Notice and Request for Comment

#### ONTARIO SECURITIES COMMISSION (“Commission”)

#### NOTICE AND REQUEST FOR COMMENT REGARDING AN APPLICATION BY LATAM SEF, LLC FOR EXEMPTION FROM RECOGNITION AS AN EXCHANGE

#### A. INTRODUCTION

This notice requests comment on (i) the application filed by LatAm SEF, LLC (“**Applicant**”) under section 147 of the *Securities Act* (Ontario) (“**Act**”) for an exemption from the requirement to be recognized as an exchange contained in section 21 of the Act (“**Recognition Requirement**”); and (ii) the draft order exempting the Applicant from the Recognition Requirement. The application can be found on our website [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

The application is similar to applications from other swap execution facilities (“**SEFs**”) published for comment on April 7, 2016.<sup>1</sup>

The Applicant operates a SEF that trades swaps in the United States and is registered as a SEF with, and regulated by, the United States Commodity Futures Trading Commission (“**CFTC**”) as required by the U.S. *Commodity Exchange Act* (“**CEA**”).

The Applicant provides entities located in Ontario (“**Ontario Users**”) with direct access to its trading facilities. The Commission therefore considers the Applicant to be doing business in Ontario. Under the CEA and CFTC rules, SEFs must regulate the conduct of participants on their market, monitor compliance with applicable rules and bring enforcement actions for rule violations (either directly or through the equivalent of a regulation services provider). Because of these self-regulatory responsibilities, they are most analogous to exchanges under the Act and will be treated by the Commission as such, requiring them to be recognized as exchanges or exempted from the Recognition Requirement if they carry on business in Ontario.

The CSA Derivatives Committee is currently developing a regulatory framework for entities that operate these types of facilities.<sup>2</sup> Once that framework is in place, we anticipate that the order exempting the Applicant from the Registration Requirement will be revoked, as the Applicant will be governed by the new framework.

As set out in more detail below, the Applicant is currently operating pursuant to an interim order (“**Interim Order**”) exempting the Applicant from the Recognition Requirement. The Interim Order expires on the 180th day following the date on which the Applicant is granted permanent registration as a SEF by the CFTC. The Applicant was granted permanent registration on January 22, 2016, and its Interim Order expires on July 20, 2016. The Applicant has filed an application for a subsequent order exempting it from the Recognition Requirement to be able to continue to offer access to its facility to Ontario Users.

#### B. REQUEST FOR COMMENT

The application contains an analysis of how the Applicant complies with the *Criteria for Exemption of a Foreign Exchange Trading OTC Derivatives from Recognition as an Exchange* (“**Exemption Criteria**”). The draft order contains terms and conditions (“**Exemption Conditions**”) that the Applicant will have to comply with on an ongoing basis. The Applicant’s Exemption Criteria and the Exemption Conditions are identical to other SEFs whose applications were published for comment on April 7, 2016.

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<sup>1</sup> See *OSC Notice and Request for Comment Regarding Applications for Exemption from Recognition as an Exchange by 360 Trading Networks Inc. et al.* (2016), 39 OSCB 3551

<sup>2</sup> See CSA Consultation Paper 92-401 *Derivatives Trading Facilities* (2015), 38 OSCB 801.

Consistent with the notice requesting comment on other SEF applications, attached to this Notice is the Applicant's draft order that contains the common representations and recitals in each SEF draft order.<sup>3</sup> The Exemption Criteria and the Exemption Conditions are attached to the sample order.

We seek comments on all aspects of the application and draft order.

You are asked to provide your comments in writing, via e-mail and delivered on or before **June 20, 2016** addressed to the attention of the Secretary of the Commission, Ontario Securities Commission, 20 Queen Street West, Toronto, Ontario, M5H 3S8 (e-mail: comments@osc.gov.on.ca).

The confidentiality of submissions cannot be maintained as comments received during the comment process will be published.

## **C. BACKGROUND**

### *1. What is a SEF?*

SEFs are a new type of marketplace created by the US *Dodd-Frank Wall Street Reform and Consumer Protection Act* ("**Dodd-Frank Act**") to bring more transparency and improved pricing to the trading of swaps. They offer different trading modalities such as a central limit order book, request for quote systems and voice broking. The Applicant's specific market structure and trading modalities are described in its application.

### *2. What is the regulatory regime governing SEFs and swap trading?*

The Applicant is registered with the CFTC and must comply with applicable regulatory requirements, including core principles for SEFs enacted by the CFTC ("**Applicable Law**").<sup>4</sup> The CFTC monitors compliance by the Applicant with Applicable Law, conducts periodic in-depth audits of the Applicant, and reviews rule and product filings.

As noted above, under Applicable Law SEFs have self-regulatory responsibilities (including market surveillance and enforcement of rules) that they must carry out themselves or through an agent. As detailed in its application, the Applicant carries out its own market surveillance and enforcement of rules.

We have reviewed the home country regulatory regime and are satisfied that it is similar to the regime in Ontario as described in the Exemption Criteria.

### *3. Why were the Interim Orders issued?*

Under the Dodd-Frank Act and CFTC rules, U.S. persons (as defined) are required to trade swaps on a SEF or designated contract market ("**DCM**") if the swaps are "made available to trade" ("**mandatory trading requirement**"). As a result, Canadian banks and other institutions wishing to enter into swap transactions with U.S. persons must do so on a SEF or DCM for swaps that are subject to the mandatory trading requirement.

In August 2013, the CFTC adopted final rules governing SEFs, which required existing platforms trading swaps to obtain temporary registration with the CFTC as a SEF or DCM by October 2, 2013. Once registered, SEFs were able to commence operations, including setting mandatory trading requirements. Because it was not possible to process full Ontario exemption applications before any mandatory trading requirement might take effect, and because the Applicants were operating under temporary rather than permanent CFTC registration, the Interim Orders were issued.

## **D. EXEMPTION CONDITIONS**

The draft orders contain Exemption Conditions that each SEF must comply with. These are based on terms and conditions that have been applied to foreign commodity futures exchanges, but tailored to the SEFs. The Exemption Conditions are designed to provide the Commission with ongoing information about the operations of the SEF and the activities of Ontario Users on the SEF. These terms and conditions include

- Ongoing compliance by the SEF with the CFTC's regulatory requirements, including maintaining its registration with the CFTC as a SEF (Exemption Conditions 2-5);

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<sup>3</sup> On April 5, 2016, the Commission authorized the publication for a 30-day comment period of the applications from 16 SEFs. Because of the number of SEF applications, and because they all have the same Exemption Criteria and Exemption Conditions, a notice requesting comment on all of the applications was published in the OSC Bulletin on April 7, 2016 at (2016), 39 OSCB 3551. Attached to that notice is a "sample" draft order that contains the common representations and recitals in each applicant's draft order. The Exemption Criteria and the Exemption Conditions are attached to the sample order.

<sup>4</sup> CEA, section 5h, 7 U.S.C. §7b-3, and Part 37 of the CFTC's regulations.



- Only allowing access to Ontario Users that are registrants, exempt from the registration requirements or not required to be registered (Exemption Conditions 6-10);
- Not allowing Ontario Users to trade products other than swaps without prior Commission approval (Exemption Condition 11);
- Submitting to the Commission's jurisdiction for enforcement purposes in connection with the Commission's regulation and oversight of the SEF (Exemption Conditions 12-13);
- Providing disclosure to Ontario Users that trading on the SEF is governed by US laws rather than the laws of Ontario and rights and remedies may be required to be pursued in the US (Exemption Condition 14);
- Promptly reporting material changes to its business, operations, financial condition and other specified matters (Exemption Conditions 15-18);
- Periodic reporting of activities of Ontario Users, regulation of Ontario Users and changes to the SEF's rules and products and other specified information (Exemption Conditions 19-21); and
- Sharing information with the Commission as needed (Exemption Condition 22)

**E. QUESTIONS**

Questions may be referred to:

Timothy Baikie  
Senior Legal Counsel, Market Regulation  
tbaikie@osc.gov.on.ca

Jalil El Moussadek  
Risk Specialist, Market Regulation  
jelmoussadek@osc.gov.on.ca

Louis-Philippe Pellegrini  
Legal Counsel, Market Regulation  
lpellegrini@osc.gov.on.ca

Alex Petro  
Trading Specialist, Market Regulation  
apetro@osc.gov.on.ca

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

AND

IN THE MATTER OF  
LATAM SEF, LLC

ORDER  
(Section 147 of the Act)

**WHEREAS** LatAm SEF, LLC (**Applicant**) has filed an application dated May 4, 2016 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an order pursuant to section 147 of the Act exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act (**Exchange Relief**);

**AND WHEREAS** on December 10, 2013, the Commission issued an interim order under section 147 of the Act exempting the Applicant on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange (**Interim Order**), terminating on the earlier of (i) December 10, 2014 and (ii) the effective date of a subsequent order exempting the Applicant from the requirement to be recognized as an exchange (**Subsequent Order**);

**AND WHEREAS** on September 30, 2014, the Commission issued an order (**Variation Order**) under Section 144 of the Act varying the Interim Order so that it terminates on the earlier of (i) the 180th day following the date on which the Applicant is granted permanent registration as a swap execution facility (**SEF**) by the United States Commodity Futures Trading Commission (**CFTC**) and (ii) the effective date of a Subsequent Order;

**AND WHEREAS** the CFTC granted the Applicant permanent registration as a SEF on January 22, 2016;

**AND WHEREAS** the Interim Order, as varied by the Variation Order, will therefore terminate upon the issuance of this order;

**AND WHEREAS** the Applicant has represented to the Commission that:

- 1.1 The Applicant is a limited liability company organized under the laws of the State of Delaware in the United States (US) and is an indirect wholly-owned subsidiary of Enlace Int SA de CV, a corporation organized under the laws of Mexico;
- 1.2 The Applicant is a marketplace for trading swaps. The Applicant's SEF executes intermediated brokered transactions and supports order book functionality for interest rate swaps and non-deliverable forward contracts;
- 1.3 In the United States, the Applicant operates under the jurisdiction of the CFTC and has obtained registration with the CFTC to operate a SEF;
- 1.4 The Applicant is obliged under CFTC rules to have requirements governing the conduct of participants, to monitor compliance with those requirements and to discipline participants, including by means other than exclusion from the marketplace;
- 1.5 The Applicant performs its surveillance of trading activity directly and has not retained a third party to be a regulatory services provider;
- 1.6 Because the Applicant regulates the conduct of its participants, it is considered by the Commission to be an exchange;
- 1.7 Because the Applicant has participants located in Ontario, it is considered by the Commission to be carrying on business as an exchange in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;
- 1.8 The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described above and permitted by the Interim Order; and
- 1.9 The Applicant satisfies all the SEF Criteria as described in Appendix 1 to Schedule "A";

**AND WHEREAS** the products traded on the Applicant are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as a commodity futures exchange in Ontario;

**AND WHEREAS** the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine whether it is appropriate for the Exchange Relief to continue to be granted subject to the terms and conditions set out in Schedule "A" to this order;

**AND WHEREAS** the Applicant has acknowledged to the Commission that the scope of the Exchange Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

**AND WHEREAS** based on the Application, together with the representations made by and acknowledgements of the Applicant to the Commission, the Commission has determined that Applicant satisfies the criteria set out in Appendix 1 to Schedule "A" and that the granting of the Exchange Relief would not be prejudicial to the public interest;

**IT IS HEREBY ORDERED** by the Commission that, pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act,

**PROVIDED THAT** the Applicant complies with the terms and conditions contained in Schedule "A."

**SCHEDULE "A"**  
**TERMS AND CONDITIONS**

**Meeting Criteria for Exemption**

1. The Applicant will continue to meet the criteria for exemption included in Appendix 1 to this Schedule.

**Regulation and Oversight of the Applicant**

2. The Applicant will maintain its registration as a swap execution facility (**SEF**) with the Commodity Futures Trading Commission (**CFTC**) and will continue to be subject to the regulatory oversight of the CFTC.
3. The Applicant will continue to comply with the ongoing requirements applicable to it as a SEF registered with the CFTC.
4. The Applicant will promptly notify the Commission if its registration as a SEF has been revoked, suspended, or amended by the CFTC, or the basis on which its registration as a SEF has been granted has significantly changed.
5. The Applicant must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

**Access**

6. The Applicant will not provide direct access to a participant in Ontario (**Ontario User**) unless the Ontario User is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, and qualifies as an "eligible contract participant" under the United States *Commodity Exchange Act*, as amended (**CEA**).
7. For each Ontario User provided direct access to its SEF, the Applicant will require, as part of its application documentation or continued access to the SEF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.
8. The Applicant may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided the Applicant notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote on the Applicant.
9. The Applicant will require Ontario Users to notify the Applicant if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, the Applicant will promptly restrict the Ontario User's access to the Applicant if the Ontario User is no longer appropriately registered or exempt from those requirements.
10. The Applicant must make available to Ontario Users appropriate training for each person who has access to trade on the Applicant's facilities.

**Trading by Ontario Users**

11. The Applicant will not provide access to an Ontario User to trading in products other than swaps, as defined in section 1a(47) of the CEA (and for greater certainty, excluding security-based swaps), without prior Commission approval.

**Submission to Jurisdiction and Agent for Service**

12. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of the Applicant in Ontario, the Applicant will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.
13. The Applicant will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the Applicant's activities in Ontario.

**Disclosure**

14. The Applicant will provide to its Ontario Users disclosure that states that:
- (a) rights and remedies against the Applicant may only be governed by the laws of the U.S., rather than the laws of Ontario and may be required to be pursued in the U.S. rather than in Ontario; and
  - (b) the rules applicable to trading on the Applicant may be governed by the laws of the U.S., rather than the laws of Ontario.

**Prompt Reporting**

15. The Applicant will notify staff of the Commission promptly of:
- (a) any material change to its business or operations or the information provided in the Application, including, but not limited to:
    - (i) changes to the regulatory oversight by the CFTC;
    - (ii) the corporate governance structure of the Applicant;
    - (iii) the access model, including eligibility criteria, for Ontario Users;
    - (iv) systems and technology; and
    - (v) the clearing and settlement arrangements for the Applicant;
  - (b) any change in the Applicant's regulations or the laws, rules and regulations in the U.S. relevant to swaps where such change may materially affect its ability to meet the criteria set out in Appendix 1 to this Schedule;
  - (c) any condition or change in circumstances whereby the Applicant is unable or anticipates it will not be able to continue to meet the SEF Core Principles established in section 5h of the CEA and Part 37 of the CFTC's regulations or any other applicable requirements of the CEA or CFTC regulations;
  - (d) any known investigations of, or any disciplinary action against the Applicant by the CFTC or any other regulatory authority to which it is subject;
  - (e) any matter known to the Applicant that may materially and adversely affect its financial or operational viability, including, but not limited to, any declaration of an emergency pursuant to the Applicant's rules;
  - (f) any default, insolvency, or bankruptcy of a participant of the Applicant known to the Applicant or its representatives that may have a material, adverse impact upon the Applicant; and
  - (g) any material systems outage, malfunction or delay.
16. The Applicant will promptly provide staff of the Commission with notice of any made available to trade determination that it files with the CFTC under the regulations pertaining to self-certification and/or approval.
17. The Applicant will promptly provide staff of the Commission with the following information to the extent it is required to provide to or file such information with the CFTC:
- (a) details of any material legal proceeding instituted against the Applicant;
  - (b) notification that the Applicant has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Applicant or has a proceeding for any such petition instituted against it; and
  - (c) the appointment of a receiver or the making of any voluntary arrangement with creditors.
18. The Applicant will promptly file with staff of the Commission copies of any Rule Enforcement Review report regarding the Applicant once issued as final by the CFTC.

### Quarterly Reporting

19. The Applicant will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:
- (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by the Applicant, other persons or companies located in Ontario trading as customers of participants (**Other Ontario Participants**);
  - (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by the Applicant, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;
  - (c) a list of all Ontario Users against whom disciplinary action has been taken in the last quarter by the Applicant or a Regulation Services Provider (**RSP**) acting on its behalf, or, to the best of the Applicant's knowledge, by the CFTC with respect to such Ontario Users' activities on the Applicant and the aggregate number of disciplinary actions taken against all participants in the last quarter by the Applicant or its RSP acting on its behalf;
  - (d) a list of all active investigations during the quarter by the Applicant or its RSP acting on its behalf relating to Ontario Users and the aggregate number of active investigations during the quarter relating to all participants undertaken by the Applicant;
  - (e) a list of all Ontario applicants for status as a participant who were denied such status or access to the Applicant during the quarter, together with the reasons for each such denial;
  - (f) copies of all amendments to the Applicant's Form SEF filed with the CFTC during the quarter, including, but not limited to, any amendments to the Applicant's trading rules;
  - (g) a list of all additions, deletions, or changes to the products available for trading since the prior quarter;
  - (h) for each product,
    - (i) the total trading volume and value originating from Ontario Users, and, to the extent known by the Applicant, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and
    - (ii) the proportion of worldwide trading volume and value on the Applicant conducted by Ontario Users, and, to the extent known by the Applicant, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;provided in the required format; and
  - (i) a list outlining each incident of a systems failure, malfunction or delay (including systems failures, malfunctions or delays reported under section 15(g) of this Schedule) that occurred at any time during the quarter for any system relating to trading activity, including trading, routing or data, specifically identifying the date, duration and reason, to the extent known or ascertainable by the Applicant, for the failure, malfunction or delay, and noting any corrective action taken.

### Annual Reporting

20. The Applicant will file with the Commission any annual report or annual financial statements (audited or unaudited) of the Applicant provided to or filed with the CFTC promptly after filing with the CFTC.
21. The Applicant will arrange to have any annual "Service Organization Controls 1" report prepared for the Applicant filed with the Commission promptly after the report is issued as final by its independent auditor.

### Information Sharing

22. The Applicant will provide and cause its RSP to provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

## APPENDIX 1

### CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

#### PART 1 REGULATION OF THE EXCHANGE

##### 1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (Foreign Regulator).

##### 1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

#### PART 2 GOVERNANCE

##### 2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:
  - (i) appropriate representation of independent directors, and
  - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest for all officers, directors and employees, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

##### 2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

#### PART 3 REGULATION OF PRODUCTS

##### 3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

##### 3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

##### 3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange that may include, but are not limited to, daily trading limits, price limits, position limits, and internal controls.

## **PART 4 ACCESS**

### **4.1 Fair Access**

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
  - (i) participants are appropriately registered as applicable under Ontario securities laws, or exempted from these requirements,
  - (ii) the competence, integrity and authority of systems users, and
  - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
  - (i) permit unreasonable discrimination among participants, or
  - (ii) impose any burden on competition that is not reasonably necessary and appropriate.
- (e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

## **PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE**

### **5.1 Regulation**

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

## **PART 6 RULEMAKING**

### **6.1 Purpose of Rules**

- (a) The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.
- (b) The Rules are not contrary to the public interest and are designed to
  - (i) ensure compliance with applicable legislation,
  - (ii) prevent fraudulent and manipulative acts and practices,
  - (iii) promote just and equitable principles of trade,
  - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
  - (v) provide a framework for disciplinary and enforcement actions, and
  - (vi) ensure a fair and orderly market.



## **PART 7 DUE PROCESS**

### **7.1 Due Process**

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

## **PART 8 CLEARING AND SETTLEMENT**

### **8.1 Clearing Arrangements**

The exchange has or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.<sup>5</sup>

### **8.2 Risk Management of Clearing House**

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

## **PART 9 SYSTEMS AND TECHNOLOGY**

### **9.1 Systems and Technology**

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting,
- (e) trade comparison,
- (f) data feeds,
- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

### **9.2 System Capability/Scalability**

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

- (a) makes reasonable current and future capacity estimates;
- (b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;
- (c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

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<sup>5</sup> For the purposes of these criteria, "clearing house" also means a "clearing agency".

- (d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;
- (e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;
- (f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and
- (g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

### **9.3 Information Technology Risk Management Procedures**

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

## **PART 10 FINANCIAL VIABILITY**

### **10.1 Financial Viability**

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

## **PART 11 TRADING PRACTICES**

### **11.1 Trading Practices**

Trading practices are fair, properly supervised and not contrary to the public interest.

### **11.2 Orders**

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

### **11.3 Transparency**

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

## **PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT**

### **12.1 Jurisdiction**

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

### **12.2 Member and Market Regulation**

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

### **12.3 Availability of Information to Regulators**

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

## **PART 13 RECORD KEEPING**

### **13.1 Record Keeping**

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

## **PART 14 OUTSOURCING**

### **14.1 Outsourcing**

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

## **PART 15 FEES**

### **15.1 Fees**

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

## **PART 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS**

### **16.1 Information Sharing and Regulatory Cooperation**

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

### **16.2 Oversight Arrangements**

Satisfactory information sharing and oversight agreements exist between the Commission and the Foreign Regulator.

## **PART 17 IOSCO PRINCIPLES**

### **17.1 IOSCO Principles**

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions (IOSCO) including those set out in the "Principles for the Regulation and Supervision of Commodity Derivatives Markets" (2011).

**13.3 Clearing Agencies**

**13.3.1 CDS – Material Amendments to CDS Rules Related to Timing of Novation – OSC Staff Notice of Request for Comment**

**OSC STAFF NOTICE OF REQUEST FOR COMMENT**

**CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)**

**MATERIAL AMENDMENTS TO CDS RULES RELATED TO TIMING OF NOVATION**

The Ontario Securities Commission is publishing for 30 day public comment material amendments to the CDS Rules related to timing of novation. CDS proposes to advance novation from T+3/Value Date (as is the case today) to value-date minus one business day (“V-1”) with the net effect that novation will advance to T+2 from T+3. CDS views this proposal as key to enhancing CDS’s role as CCP, and critical to the reduction of systemic settlement risk within the financial system.

The comment period ends on June 18, 2016.

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

## Chapter 25

# Other Information

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### 25.1 Approvals

#### 25.1.1 Longview Asset Management Ltd. – s. 213(3)(b) of the LTCA

##### Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

##### Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

May 10, 2016

Wildeboer Dellelce LLP  
Wildeboer Dellelce Place  
365 Bay Street, Suite 800  
Toronto, ON M5H 2V1

Attention: Ronald Schwass

Dear Sirs/Mesdames:

**Re: Longview Asset Management Ltd. (the "Applicant")**

**Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee**

**Application No. 2016/0147**

Further to your application dated March 10, 2016 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Longview Fund, and any other future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held in the custody of a trust company incorporated, and licensed or registered, under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or a qualified affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Longview Fund and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Sarah B. Kavanagh"  
Commissioner

"Anne-Marie Ryan"  
Commissioner

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# Index

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<b>Aegon Capital Management Inc.</b>		<b>Excel Private Wealth Inc.</b>	
Name Change.....	4853	Amalgamation.....	4853
<b>Aegon Fund Management Inc.</b>		<b>Foresters Asset Management Inc. /Gestion d'actifs Foresters inc.</b>	
Name Change.....	4853	Name Change .....	4853
<b>All in West! Capital Corporation</b>		<b>Foresters Financial Investment Management Company of Canada Inc. /Societe de Gestion de Placements Financiers Canadiens Foresters inc.</b>	
Cease Trading Order .....	4767	Name Change .....	4853
<b>Bellwether Investment Management Inc.</b>		<b>GeneNews Limited</b>	
Amalgamation .....	4853	Cease Trading Order.....	4767
<b>Bill 173</b>		<b>Golden Leaf Holdings Ltd.</b>	
Notice.....	4719	Cease Trading Order.....	4767
Legislation.....	4841	<b>HLD Land Development Limited Partnership</b>	
<b>Blueocean Nutrasciences Inc.</b>		Cease Trading Order.....	4767
Cease Trading Order .....	4767	<b>Index Wealth Management Inc.</b>	
<b>BNP Paribas Investment Partners Canada Ltd.</b>		Amalgamation.....	4853
Voluntary Surrender.....	4853	<b>Industrielle Alliance Valeurs Mobilières Inc. / Industrial Alliance Securities Inc.</b>	
<b>Breakthrough Financial Inc.</b>		Amalgamation.....	4853
Notice of Hearing with Related Statement of Allegations – ss. 127(1), 127(10) .....	4724	<b>Jobs for Today and Tomorrow Act (Budget Measures), 2016, S.O. 2016, c. 5</b>	
Notice from the Office of the Secretary .....	4732	Notice .....	4719
<b>Burgeonvest Bick Securities Limited</b>		Legislation .....	4841
Amalgamation .....	4853	<b>Kilgharrah Asset Management Inc.</b>	
<b>Calmusky, Randy Zenovi</b>		New Registration .....	4853
Notice of Hearing with Related Statement of Allegations – ss. 127(1), 127(10) .....	4720	<b>Kitrinor Metals Inc.</b>	
Notice from the Office of the Secretary .....	4732	Cease Trading Order.....	4767
<b>CDS</b>		<b>LatAm SEF, LLC</b>	
Clearing Agencies – Material Amendments to CDS Rules Related to Timing of Novation – OSC Staff Notice of Request for Comment .....	4868	Marketplaces – Application for Exemption from Recognition as an Exchange – OSC Notice and Request for Comment .....	4855
<b>Certika Investments Ltd.</b>		<b>Loblaw Companies Limited</b>	
Amalgamation .....	4853	Order – s. 104(2)(c).....	4753
<b>Collins Barrow SNT Corporate Finance Inc.</b>		Order – s. 104(2)(c).....	4758
New Registration .....	4853	Order – s. 104(2)(c).....	4762
<b>Compagnie de Saint-Gobain</b>		<b>Longview Asset Management Ltd.</b>	
Decision .....	4741	Approval – s. 213(3)(b) of the LTCA.....	4869
<b>Dynex Power Inc.</b>		<b>LWP Capital Inc.</b>	
Cease Trading Order .....	4767	Cease Trading Order.....	4767
<b>Enerdynamic Hybrid Technologies Corp.</b>			
Cease Trading Order .....	4767		

---

---

<b>Matco Energy Equity Fund</b>		<b>Valeant Pharmaceuticals International, Inc.</b>	
Decision .....	4751	Cease Trading Order.....	4767
<b>Matco Financial Inc.</b>		<b>VidWRX Inc.</b>	
Decision .....	4751	Cease Trading Order.....	4767
<b>Matco Small Cap Fund</b>		<b>Wedge Acquisition Holdings Inc.</b>	
Decision .....	4751	Decision – s. 1(10)(a)(ii) .....	4740
<b>Matica Enterprises Inc.</b>			
Cease Trading Order .....	4767		
<b>Northern Power Systems Corp.</b>			
Cease Trading Order .....	4767		
<b>Ontario Power Generation Energy Trading, Inc.</b>			
Decision – s. 42 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting .....	4735		
<b>Ontario Power Generation Inc.</b>			
Decision – s. 42 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting .....	4735		
<b>Opta Minerals Inc.</b>			
Decision – s. 1(10)(a)(ii).....	4739		
<b>Oracle Mining Corp.</b>			
Cease Trading Order .....	4767		
<b>Postrado, Fernando</b>			
Notice of Hearing with Related Statement of Allegations – ss. 127, 127.1 .....	4729		
Notice from the Office of the Secretary .....	4733		
<b>Red Ore Gold Inc.</b>			
Cease Trading Order .....	4767		
<b>Red Tiger Mining Inc.</b>			
Cease Trading Order .....	4767		
<b>Rush, Robert Bruce</b>			
Notice of Hearing with Related Statement of Allegations – ss. 127(1), 127(10) .....	4724		
Notice from the Office of the Secretary .....	4732		
<b>Russell Investments Canada Limited</b>			
Decision .....	4746		
<b>Securities Act, R.S.O. 1990, c. S.5</b>			
Notice.....	4719		
Legislation.....	4841		
<b>Starrex International Ltd.</b>			
Cease Trading Order .....	4767		
<b>Stompy Bot Corporation</b>			
Cease Trading Order .....	4767		
<b>Tempest Funds General Partnership</b>			
Consent to Suspension (Pending Surrender).....	4853		