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)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 CSA Staff Notice 11-330 – Notice of Local Amendments – Alberta, Manitoba, New Brunswick, Nova Scotia, Québec, Ontario and Saskatchewan

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 11-330
Notice of Local Amendments – Alberta, Manitoba, New Brunswick, Nova Scotia, Québec, Ontario and Saskatchewan

June 16, 2016

From time to time, a local jurisdiction may amend a national or multilateral instrument that affects activity only in that jurisdiction. The CSA recognize that such a local amendment may nonetheless be of interest or importance beyond the local jurisdiction and CSA staff are issuing this Notice to identify amendments implemented through a number of local amendments made in Alberta, Manitoba, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan. For public convenience, CSA members in other jurisdictions will update the text of the applicable material on their websites to reflect these local amendments.

The local amendments referred to in this notice include those to National Instrument 45-102 *Resale of Securities* (NI 45-102) and National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) to reflect the availability of new or amended prospectus exemptions in certain jurisdictions.

Annex A to this Notice identifies, and provides further information on, the relevant local amendments (as well as related changes to specified policies). The text of rule and policy consolidations on the websites of CSA members will now be updated, as necessary, to reflect these local amendments and changes.

You may direct questions regarding this Notice to:

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Annex A

LOCAL AMENDMENTS TO INSTRUMENTS	
Instrument	**Date effective and hyperlink**
(a) NI 45-102 – Relating to the existing securityholder exemption	February 11, 2015 in Ontario only http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20150205_45-102_resale-securities.htm
(b) NI 45-102 – Relating to the accredited investor exemption in NI 45-106	May 5, 2015 in Ontario only http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20150430_45-102_amd-accredited-investor.htm
(c) NI 45-102 – Relating to the family, friends and business associates exemption in NI 45-106	May 5, 2015 in Ontario only http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20150430_45-102_amd-resale-family-friends.htm *[Note: It is anticipated that paragraph (a.1) in section 3 of Appendix D in this amending instrument will be renumbered as paragraph (a.2).]*
(d) NI 45-102 – Relating to the offering memorandum exemption in NI 45-106	January 13, 2016 in Ontario and April 30, 2016 in Alberta, New Brunswick, Nova Scotia, Québec, and Saskatchewan http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20160107_45-102_amd-resale-securities.htm
(e) Appendix D of NI 45-102 – Relating to the crowdfunding exemption	January 25, 2016 in Manitoba, Ontario, Québec, New Brunswick and Nova Scotia Annex B of http://www.osc.gov.on.ca/documents/en/Securities-Category4/csa_20151105_45-108_multilateral-crowdfunding.pdf
(f) NI 45-106 – Relating to the family, friends and business associates exemption	May 5, 2015 in Ontario only http://www.osc.gov.on.ca/documents/en/Securities-Category4/ni_20150430_45-106_prospectus-family-friends.pdf
(g) Item 9 of Form 45-106F1 – Relating to foreign "wrappers"	September 8, 2015 in Ontario only http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20150903_45-106_prospectus-exemptions.htm
(h) NI 45-106 – Relating to the offering memorandum exemption	January 13, 2016 in Ontario and April 30, 2016 in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160107_45-106_amd_prospectus-exemptions.htm
(i) National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*	January 13, 2016 in Ontario and April 30, 2016 in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160107_52-107_amendments.htm
(j) Multilateral Instrument 11-102 *Passport System*	April 30, 2016 in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan http://nssc.novascotia.ca/sites/default/files/docs/Rule%2045-106%20%28Amendment%29%20Conseq%20Nov%205%202015.pdf

LOCAL CHANGES TO POLICIES	
Policy	Date Effective and Hyperlink
(a) NI 45-106CP – Changes related to family, friends and business associates exemption in NI 45-106	May 5, 2015 in Ontario only http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20150430_45-106_changes-cp-family-friends.htm
(b) NI 45-106CP – Changes related to the offering memorandum exemption in NI 45-106	January 13, 2016 in Ontario and April 30, 2016 in Alberta, New Brunswick, Nova Scotia, Québec and Saskatchewan http://www.osc.gov.on.ca/documents/en/Securities-Category4/ni_20160107_45-106_changes_prospectus-exemptions.pdf
(c) NP 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*	January 13, 2016 in Ontario and April 30, 2016 in Alberta, Saskatchewan, Québec, New Brunswick and Nova Scotia http://www.osc.gov.on.ca/en/SecuritiesLaw_np_20160107_11-203_change-process-for-exemptive-relief.htm

1.1.2 OSC Staff Notice 12-703 – Applications for a Decision that an Issuer is not a Reporting Issuer

OSC Staff Notice 12-703
Applications for a Decision that an Issuer is not a Reporting Issuer

(Revised June 16, 2016)

Purpose

This Notice provides information and guidance on applications that may be made under subclause 1(10)(a)(ii) of the *Securities Act* (Ontario)(the Act) for an order that an issuer is not a reporting issuer (a decision).

This Notice applies to an issuer that only requires a decision in Ontario. If a decision is required in more than one jurisdiction of Canada, please see National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

Among other things, this Notice covers:

- how an issuer can apply for a decision under a simplified procedure if it meets certain conditions,
- how an issuer can apply for a decision if it is not eligible to use the simplified procedure,
- how a foreign issuer with a small securityholder presence in Canada can apply for a decision, and
- the procedure for dissolved issuers.

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

The Simplified Procedure

The Ontario Securities Commission (the Commission) has adopted a simplified procedure for certain applications under subclause 1(10)(a)(ii) of the Act in which an issuer is seeking a decision that it is not a reporting issuer. Pursuant to an assignment of certain of the Commission's powers that was made under subsection 6(3) of the Act, a decision under the simplified procedure can be made by the Director under the Act. The Director does not have the power to grant relief to a reporting issuer that does not meet the conditions for the simplified procedure (only the Commission may grant relief to such a reporting issuer).

The simplified procedure is available to a reporting issuer:

- whose outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in Ontario and fewer than 51 securityholders in total worldwide,
- whose securities, including debt securities, are not traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported,
- that is not in default of securities legislation in any jurisdiction, and
- that will not be a reporting issuer in any jurisdiction of Canada immediately following the director making a decision that the issuer is not a reporting issuer.

A reporting issuer may request a decision under the simplified procedure by submitting, a draft decision document and a letter prepared by or on behalf of the issuer that:

- states that the issuer is seeking a decision of the Director that it is not a reporting issuer,
- references the simplified procedure in this Notice, and
- includes representations that the applicant meets each of the criteria set out in the simplified procedure in this Notice.

Schedule 1 includes a sample application letter and form of decision document. In some cases, staff may request additional information from the reporting issuer.

The reporting issuer should file its application using the Commission's electronic filing system which can be accessed at www.osc.gov.onca/filings (follow the steps for submitting applications).

The application should be accompanied by the signed verification statement referred to in section D(e) of OSC Policy 2.1 *Applications to the Ontario Securities Commission*. If confidentiality is requested, the application should comply with section C.2 of OSC Policy 2.1.

What to do when the simplified procedure in this Notice is not available

If an issuer cannot meet all of the simplified procedure criteria in this Notice, the issuer should submit an application under the standard procedure for an application under OSC Policy 2.1 using a more detailed application letter and form of decision document.

Going-private transactions

Where the issuer is in the process of completing a going-private transaction following which it will want to stop being a reporting issuer, the issuer may apply for relief using the simplified procedure in this Notice prior to completing the transaction. The Director cannot make a decision until the transaction is complete and the issuer can represent that it has satisfied all the criteria for the simplified procedure.

Successor reporting issuers

In circumstances where an issuer has exchanged its securities with another party (or that party's securityholders) in connection with a statutory arrangement or procedure, the issuer should consider whether any other party in the transaction will or has become a reporting issuer following the exchange. If so, the issuer should disclose the name of that party in its application to stop being a reporting issuer and provide a brief summary of the statutory arrangement or procedure and the parties involved.

Issuers subject to the *Business Corporations Act* (Ontario)

The *Business Corporations Act* (Ontario)(the OBCA):

- contains certain provisions that apply to reporting issuers that were incorporated, continued or amalgamated under the OBCA (the OBCA refers to these reporting issuers as "offering corporations"), and
- provides, in subsection 1(6), that if an offering corporation no longer wants those provisions to apply to it, it must obtain an order from the Commission deeming it to have ceased to be offering its securities to the public.

If an offering corporation requires an order under subsection 1(6) of the OBCA, it must make a separate application to the Commission. A decision obtained under the simplified procedure in this Notice or other application under subclause 1(10)(a)(ii) of the Act is only for the purposes of securities legislation.

Foreign issuers

Foreign-incorporated issuers often seek decisions that they are not reporting issuers under applicable securities legislation when they have a declining numbers of securityholders in Canada. In general, these issuers do not meet the criteria for the simplified procedure in this Notice because they typically have many beneficial securityholders in jurisdictions in Canada, and their securities are listed on one or more exchanges outside of Canada. For guidance on how such a foreign issuer can obtain a decision that the issuer is not a reporting issuer, please see the guidance under the heading "The modified procedure" in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

Reporting issuer that has been dissolved or terminated

A reporting issuer does not need to apply for a decision that it is not a reporting issuer if it is:

- a corporation that was dissolved under applicable corporate legislation,
- a limited partnership that was dissolved under applicable limited partnership legislation,
- a trust that was terminated under its declaration of trust, or

- another form of business organization that was dissolved or terminated under its applicable governing legislation or constating or establishing document.

In each case, it will be sufficient if an agent files evidence of the dissolution or termination with the Commission.

For a corporation, sufficient evidence includes a copy of the certificate and articles of dissolution.

For a limited partnership, sufficient evidence typically includes:

- a copy of the declaration of dissolution or similar document filed under applicable limited partnership legislation, and
- a written representation from the general partner about the effective date of dissolution under applicable limited partnership legislation.

For a trust, sufficient evidence typically includes:

- a copy of the resolution authorizing the termination of the trust,
- a report on voting results indicating that the resolution was passed,
- a written representation that the trust no longer exists (it is sufficient if this representation is provided by an agent or former trustees or officers),
- a copy of the change in corporate structure notice filed under section 4.9 of National Instrument 51-102 *Continuous Disclosure Obligations* or a copy of the change in legal structure notice filed under section 2.10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*, and
- evidence such as a copy of a news release or written submission from an agent that the trust has no securities outstanding and none are traded on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

If an issuer has commenced dissolution proceedings but still exists, it will remain a reporting issuer in the absence of a decision that it is not a reporting issuer.

Questions

Please refer your questions to any of the following people:

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Ontario Securities Commission
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June 16, 2016

Schedule 1

Example of an Application Letter under the Simplified Procedure

[Enter date]

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON
M5H 3S8

Attention: Applications Administrator

Dear Sirs/Mesdames:

Re: [Enter name of applicant] (the Applicant) – application for an order under subclause 1(10)(a)(ii) of the *Securities Act* (Ontario)(the Act) that the Applicant is not a reporting issuer

We are applying to the Ontario Securities Commission **[on behalf of the Applicant]** for an order under subclause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

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

Under the simplified procedure in OSC Staff Notice 12-703, the Applicant represents that:

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in Ontario and fewer than 51 securityholders in total worldwide;
- 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;
- the Applicant is not in default of securities legislation in any jurisdiction; and
- the Applicant will not be a reporting issuer in any jurisdiction in Canada immediately following the Director granting the relief requested.

[Enter name of Applicant]

[Signature of the person who has signing authority]

Example of a Decision Document under the Simplified Procedure

[Enter date]

[Enter name and address of Applicant]

Dear Sirs/Mesdames:

Re: [Enter name of applicant] (the Applicant) – application for an order under subclause 1(10)(a)(ii) of the *Securities Act* (Ontario)(the Act) that the Applicant is not a reporting issuer

The Applicant has applied to the Ontario Securities Commission for an order under subclause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

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

The Applicant has represented to the Commission that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in Ontario 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 not in default of securities legislation in any jurisdiction; and

(d) the Applicant will not be a reporting issuer in any jurisdiction of Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

_____

[Name of signatory]
[Title]
Ontario Securities Commission

1.5 Notices from the Office of the Secretary

1.5.1 Andrei Miguel Postrado

FOR IMMEDIATE RELEASE
June 8, 2016

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

AND

IN THE MATTER OF
ANDREI MIGUEL POSTRADO

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Andrei Miguel Postrado

A copy of the Order dated June 8th, 2016 and Settlement Agreement dated June 2nd, 2016 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Paul Christopher Darrigo

FOR IMMEDIATE RELEASE
June 10, 2016

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
A DECISION OF A HEARING PANEL OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA

AND

IN THE MATTER OF
PAUL CHRISTOPHER DARRIGO

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

A copy of the Reasons and Decision dated June 9, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.3 MM Café Franchise Inc. et al.

FOR IMMEDIATE RELEASE
June 10, 2016

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

AND

IN THE MATTER OF
MM CAFÉ FRANCHISE INC.,
DCL HEALTHCARE PROPERTIES INC.,
CULTURALITE MEDIA INC.,
CAFÉ ENTERPRISE TORONTO INC.,
TECHOCAN INTERNATIONAL CO. LTD.,
1727350 ONTARIO LTD., MARIANNE GODWIN,
DAVE GARNET CRAIG, FRANK DELUCA,
ELAINE CONCEPCION and
HAIYAN (HELEN) GAO JORDAN

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

1. The hearing date scheduled for September 6, 2016 is vacated;

2. The Second Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing September 13, 2016 at 3:30 p.m.

A copy of the Order dated June 9, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

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media_inquiries@osc.gov.on.ca

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Desjardins Investments Inc. and Desjardins SocieTerra Environmental Bond Fund

Headnote

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from subsection 2.1(1) of Regulation 81-102 respecting Mutual Funds to permit global fixed-income mutual fund to invest more than 10% of net asset value in securities issued by a foreign government or permitted supranational agency, subject to certain conditions.

Applicable Legislative Provisions

Regulation 81-102 respecting Mutual Funds, ss. 2.1(1), 19.1.

Translation

June 3, 2016

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

AND

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

AND

IN THE MATTER OF
DESJARDINS INVESTMENTS INC.
(THE FILER)

AND

THE DESJARDINS SOCIETERRA
ENVIRONMENTAL BOND FUND
(the Fund)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption under section 19.1 of *Regulation 81-102 respecting Investment Funds* (c. V-1.1, r. 39) (**Regulation 81-102**) from the concentration restriction in subsection 2.1(1) of Regulation 81-102, in order to permit the Fund to invest up to:

(a) 20% of its net asset value, immediately after the transaction, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (i) issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction of Canada or the government of the United States of America and (ii) rated "AA" by Standard & Poor's Rating Services (Canada) (**S&P**) or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations; and

(b) 35% of its net asset value, immediately after the transaction, in evidences of indebtedness of any one issuer, if those securities are (i) issued by issuers described in subparagraph (a) above and (ii) rated "AAA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations.

(such evidences of indebtedness are collectively referred to as **Foreign Government Securities**) (the **Exemption Sought**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

(b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in the jurisdictions of Canada other than the Jurisdictions, and

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (c. V-1.1, r. 3), Regulation 11-102, *Regulation 25-101 respecting Designated Rating Organizations* (c. V-1.1, r.

8.1) and Regulation 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Filer

1. The Filer is a corporation incorporated under the *Business Corporation Act* (CQLR, c. S 31.1) of Québec.

2. The Filer's head office is located at 1 Complexe Desjardins, C.P. 34, Suite 1422, South Tower, Montréal, Québec, Canada, H5B 1E4.

3. The Filer, or an affiliate of the Filer, will be the investment fund manager, promoter, registrar and transfer agent of the Fund.

4. The Filer is duly registered as an investment fund manager in Québec, Ontario and Newfoundland and Labrador.

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

The Fund

6. The Fund will be a mutual fund established under the laws of Québec pursuant to an amended and restated declaration of trust dated January 5, 2009, as amended. Desjardins Trust Inc. will act as trustee.

7. On April 7, 2016, the Fund filed a preliminary prospectus governed by *Regulation 81-101 respecting Mutual Fund Prospectus Disclosure* (c. V-1.1, r. 38) in each of the jurisdictions of Canada in order to proceed with an initial public offering. It is expected that the Fund will become a reporting issuer subject to Regulation 81-102 among others, in all jurisdictions of Canada upon the issuance of a receipt for its final prospectus (the **Final Prospectus**).

8. Desjardins Global Asset Management Inc. (**DGAM**) will act as portfolio manager of the Fund and will be also responsible for retaining a portfolio sub-adviser for the Fund. DGAM is duly registered in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Québec and Saskatchewan as an adviser in the category of portfolio manager. DGAM is also duly registered in Québec as a derivatives portfolio manager pursuant to the *Derivatives Act* (RSQ, c. I-14.01), in Ontario as a commodity trading manager pursuant to the *Commodity Futures Act* (RSO 1990, c. C.20) and in Manitoba as a commodity adviser pursuant to *The Commodity Futures Act* (C.C.S.M. c. C152).

9. Mirova SA (**Mirova**) will act as portfolio sub-adviser to the Fund. Mirova relies on the international adviser registration exemption in Ontario and Québec pursuant to section 8.26 of *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* (c.V-1.1, r.10).

10. The Fund's investment objective will be to achieve a total return comprised of income and some long-term capital appreciation by investing primarily in various environmental bond debt securities issued by governments, supranational organizations, development banks, government agencies and corporations throughout the world.

Reasons for the Exemption Sought

11. Subsection 2.1(1) of Regulation 81-102 prohibits the Fund from purchasing a security of an issuer, entering into a specified derivatives transaction or purchasing index participation units if, immediately after the transaction, more than 10% of the net asset value of the Fund would be invested in securities of any issuer (the **Concentration Restriction**).

12. The Concentration Restriction does not apply to a purchase of, among other things, a government security as defined in section 1.1 of Regulation 81-102, which means an evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest, by any of the government of Canada, the government of a jurisdiction of Canada or the government of the United States of America.

13. Foreign Government Securities do not meet the definition of government security.

14. In the Policy Statement to Regulation 81-102, the Canadian Securities Administrators state their views on various matters relating to Regulation 81-102. Subsection 3.1(4) of the Companion Policy to Regulation 81-102 indicates that the relief from paragraph 2.04(1)(a) of National Policy Statement No. 39 , which was replaced by section 2.1 of Regulation 81-102, has been provided to mutual funds generally under the following circumstances:

    i. The mutual fund has been permitted to invest up to 20% of its net asset value in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America and are rated "AA" by S&P, or its DRO affiliate or have an equivalent rating by one or more other

approved credit rating organizations or their DRO affiliates;

ii. The mutual fund has been permitted to invest up to 35% of its net asset value in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued by issuers described in paragraph i and are rated "AAA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other approved credit rating organizations or their DRO affiliates.

15. The Exemption Sought, which relaxes the limitations in the Concentration Restriction, will enhance the ability of the Fund to pursue and achieve its investment objective. Higher concentration limits may allow the Fund to benefit from investment efficiencies and reduced transaction costs.

16. The Exemption Sought will allow the Fund to invest more than 10% of the Fund's net asset value in Foreign Government Securities having a AA or AAA rating, as applicable. This rating may from time to time be equivalent to or higher than the rating of a government security as defined in section 1.1 of Regulation 81-102.

Decision

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

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

1. subparagraphs (a) and (b) of the Exemption Sought cannot be combined for any one issuer;

2. the securities that are purchased pursuant to the Exemption Sought are traded on a mature and liquid market;

3. the acquisition of the evidences of indebtedness pursuant to the Exemption Sought is consistent with the fundamental investment objective of the Fund;

4. the Final prospectus of the Fund will disclose any additional risks associated with the concentration of net asset value of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which that issuer is located; and

5. the Final prospectus of the Fund will disclose, in the investment strategies section, the details of the exemption granted along with the conditions imposed and the type of securities covered by the Exemption Sought.

"Hugo Lacroix"
Senior Director, Investment Funds
Autorité des marchés financiers

2.1.2 Pacific Basin Shipping Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus requirement in connection a rights offering by an issuer with a minimal connection to Canada – Application for exemption from the prospectus requirement in connection with the first trade of rights and rights share of issuer through exchange or marketplace outside Canada or to person or company outside Canada – Filer is incorporated in Bermuda and its ordinary shares are listed on the Stock Exchange of Hong Kong Limited – Conditions of exemption in s. 2.1.2 of National Instrument 45-106 Prospectus Exemptions and s. 2.14 of National Instrument 45-102 Resale of Securities not satisfied as residents of Canada hold more than 10% of the outstanding shares of the issuer following completion of plan of arrangement – The Filer has *de minimis* security holders in Canada, excluding one accredited investor – Filer has no intention to have any of the shares listed on an exchange or marketplace in Canada.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities, s. 2.14.
National Instrument 45-106 Prospectus Exemptions, s. 2.1.2.

TRANSLATION

May 20, 2016

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

AND

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

AND

IN THE MATTER OF
PACIFIC BASIN SHIPPING LIMITED
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (collectively, the "**Decision Makers**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the prospectus requirements contained in the Legislation will not apply to the distribution to shareholders of the Filer resident in the Jurisdictions (the "**Canadian Holders**") of the Nil-Paid Rights (as hereinafter defined) and the Rights Shares (as hereinafter defined) (the "**Issuance Relief**") or to the first trade thereof by the Canadian Holders (the "**Resale Relief**" and, together with the Issuance Relief, the "**Requested Relief**").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102-*Passport System* and, in Québec, *Regulation 11-102 respecting Passport System* (collectively, "**MI 11-102**") is intended to be relied upon in British Columbia; and

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated in Bermuda with limited liability pursuant to the *Companies Act 1981* of Bermuda whose principal place of business is located at Hutchison House, 7th Floor, 10 Harcourt Road, Central, Hong Kong.

2. The ordinary shares of the Filer (the "**Ordinary Shares**") are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Exchange**") under the stock code 2343.

3. The Filer is not a reporting issuer in any jurisdiction of Canada and is not, to the knowledge of the Filer, in default under the securities laws of Hong Kong. The Filer has no present intention of becoming listed in Canada or of becoming a reporting issuer in any jurisdiction of Canada under Canadian securities legislation.

4. The Filer has selected the AMF as the principal regulator given that the Filer's principal Canadian securityholder is located in the province of Québec.

5. On April 18, 2016, the Filer issued an announcement of its proposal to, among other things, raise approximately US$150.6 million by way of the issue of rights (the "**Rights Offering**") to acquire an aggregate of 1,946,823,119 Ordinary Shares (the "**Rights Shares**") at the subscription price of HK$0.60 per Rights Share, on the basis of one right (a "**Nil-Paid Right**") for every one existing Ordinary Share.

6. While the Rights Offering will be fully underwritten by The Hongkong and Shanghai Banking Corporation Limited and by BNP Paribas Securities (Asia) Limited, neither such underwriter will be distributing any of the Nil-Paid Rights or the Rights Shares, or conducting any other activities, in Canada in connection therewith.

7. In accordance with Rule 7.19(6) of the Rules Governing the Listing of Securities on the Hong Kong Exchange (the "**Listing Rules**"), as the Rights Offering will increase the number of issued Ordinary Shares of the Filer by more than 50%, the Rights Offering is subject to the approval of the holders of the Ordinary Shares (the "**Shareholders**") at a special general meeting of the Shareholders (the "**SGM**") scheduled to be held in Hong Kong on Monday, May 23, 2016. At the SGM, Shareholders will also be asked to consider, and if thought fit, approve a capital reorganization of the Filer.

8. The Filer will apply to the Listing Committee of the Hong Kong Exchange for permission to list the Nil-Paid Rights and the Rights Shares and permission to deal in the Rights Shares (nil paid and fully paid) on the Main Board of the Hong Kong Exchange (the "**Listing Approval**"). The Nil-Paid Rights are expected to be traded in board lots of 1,000 (as the Ordinary Shares are currently traded on the Hong Kong Exchange in board lots of 1,000).

9. Based on information provided by the Filer, there are currently nine Shareholders resident in Canada representing 0.005% of the approximately 1,958 Shareholders worldwide.

10. The Shareholders resident in Canada hold an aggregate of 258,917,500 Ordinary Shares, representing approximately 13.29% of the 1,946,823,119 Ordinary Shares outstanding. Such Shareholders resident in Canada are resident in British Columbia, Ontario and Québec.

11. The principal Canadian Holder is a private issuer incorporated pursuant to the *Canada Business Corporations Act* whose head office is located in Montreal, Québec (the "**Québec Holder**").

12. The Québec Holder is the registered holder and beneficial owner of an aggregate of 252,703,500 Ordinary Shares, representing 12.98% of the issued and outstanding Ordinary Shares worldwide and approximately 97.6% of the Ordinary Shares held by all of the Canadian Holders.

13. The Québec Holder has advised the Filer that it is an accredited investor within the meaning of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") by virtue of being a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements.

14. The Québec Holder has been advised that the Requested Relief is being submitted and has confirmed its support thereof.

15. Any resale of the Nil-Paid Rights and the Rights Shares by the Canadian Holders will be made outside of Canada through the facilities of the Hong Kong Exchange as there is no market for the Nil-Paid Rights or the Rights Shares in Canada and none is expected to develop.

16. In the absence of an order granting the Issuance Relief, the issuance of the Nil-Paid Rights and the Rights Shares will be a distribution in respect of which a prospectus must be prepared unless otherwise exempted.

17. The prospectus exemption set forth in section 2.1.2 of NI 45-106 will not be available to the Filer with respect to the issuance of the Nil-Paid Rights or the Rights Shares given that, as stated above, it is expected that at the distribution date of the Nil-Paid Rights the number of Ordinary Shares for which the rights are issued that are beneficially held by residents of Canada will constitute 10% or more of the outstanding Ordinary Shares.

18. In the absence of an order granting the Issuance Relief, the Rights Offering in Canada will be limited exclusively to accredited investors pursuant to the prospectus exemption set forth in section 2.3 of NI 45-106 and to employees, executive officers, directors and consultants pursuant to the prospectus exemption set forth in section 2.24 of NI 45-106, and there can be no assurance that all Canadian Holders will be capable of satisfying the criteria of such exemptions. Accordingly, certain Canadian Holders may be precluded from participating in the Rights Offering and be unduly disadvantaged.

19. If Canadian Holders cannot participate in the Rights Offering, they would see their respective interest in the Filer diluted.

20. In the absence of an order granting the Resale Relief, the first trade in the Nil-Paid Rights and the Rights Shares will be a distribution unless either (i) section 2.5 of National Instrument 45-102 –

Resale of Securities ("**NI 45-102**") is complied with, to the extent the Nil-Paid Rights and the Rights Shares are distributed to Canadian Holders pursuant to section 2.3 of NI 45-106 or (ii) section 2.6 of NI 45-102 is complied with, to the extent the Nil-Paid Rights and Rights Shares are distributed to Canadian Holders pursuant to section 2.24 of NI 45-106 or pursuant to the Issuance Relief.

21. The prospectus exemptions in sections 2.5 and 2.6 of NI 45-102 will not be available in connection with the first trade in the Nil-Paid Rights or the Rights Shares because the Filer is not, and has no intention of becoming, a reporting issuer in a jurisdiction of Canada.

22. Section 2.14 of NI 45-102 will not be available to Canadian Holders with respect to the first trade in the Nil-Paid Rights and the Rights Shares given that, as stated above, it is expected that at the distribution date of the Nil-Paid Rights, residents of Canada will own directly or indirectly more than 10% of the outstanding Ordinary Shares.

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 Requested Relief is granted provided that:

(a) at the date of the distribution and at the date of the first trade of the Nil-Paid Rights and the Rights Shares, the Filer is not a reporting issuer in any jurisdiction of Canada;

(b) at the date of the distribution of the Nil-Paid Rights and the Rights Shares, after giving effect to the Rights Offering, residents of Canada do not represent in number more than 10% of Shareholders;

(c) the first trade of the Nil-Paid Rights and the Rights Shares is made through an exchange, or a market, outside of Canada or to a person or company outside of Canada; and

(d) all materials sent to any other Shareholders for the distribution of the Nil-Paid Rights are concurrently filed and sent to each Canadian Holder.

"Lucie J. Roy"
Senior Director, Corporate Finance

2.1.3 Tribute Pharmaceuticals Canada Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for an order than the issuer is not a reporting issuer under applicable securities laws – issuer has outstanding securities exercisable into securities of parent and convertible debt held by individual noteholder– parent reporting issuer – relief granted.

Applicable Legislative Provisions

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

June 6, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND AND NEWFOUNDLAND
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
TRIBUTE PHARMACEUTICALS CANADA INC.
(THE FILER)

DECISION

Background

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

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the laws of Ontario and was formed by the amalgamation (the **Amalgamation**) of Tribute Pharmaceuticals Canada Inc. (**Target**) and ARLZ CA Acquisition Corp. (**Amalgamation Sub**) pursuant to an arrangement (the **Arrangement**) under section 182 of the *Business Corporations Act* (Ontario) (the **OBCA**), which became effective at 11:00 a.m. (the **Effective Time**) on February 2, 2016 (the **Effective Date**). The Filer's head office is located at 151 Steeles Avenue East, Milton, Ontario, Canada L9T 1Y1.

2. Aralez Pharmaceuticals Inc. (**Acquiror**) is a corporation existing under the laws of British Columbia. The authorized capital of Acquiror consists of an unlimited number of common shares (the **Acquiror Shares**). The Acquiror Shares are listed on the Toronto Stock Exchange (the **TSX**) under the symbol "ARZ" and on the NASDAQ Stock Market LLC (**NASDAQ**) under the symbol “ARLZ”. Acquiror is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. Concurrently with the completion of the transactions contemplated by the Arrangement, Acquiror also acquired POZEN Inc. (**Pozen**), a Delaware company whose common stock was formerly traded on the NASDAQ. As a result, the business of the Filer represents only a portion of the overall business of Acquiror.

3. Immediately prior to the Effective Time, Target was a corporation existing under the laws of Ontario and had the following outstanding securities: (i) 209,570,551 common shares (the **Target Shares**); (ii) 7,000,953 options to purchase Target Shares (the **Target Options**); (iii) 25,439,015 warrants to purchase Target Shares (the **Target Warrants**); (iv) 1,099,281 broker compensation options (the **Target Compensation Options**); (v) a C$5,000,000 convertible unsecured promissory note (the **Target MFI Note**) and (vi) an aggregate of US$75,000,000 of senior secured convertible notes (the **Target Senior Notes**) issued pursuant to that second amended and restated credit facility dated December 7, 2015 by and among Acquiror, Pozen, the Filer and the lenders thereunder (the **Credit Facility**). The Target Shares were listed on the TSX Venture Exchange (the **TSXV**) under the symbol "TRX". No other securities of Target were listed on any exchange. Target was a reporting issuer in each of the Jurisdictions.

4. The authorized capital of the Filer, being the successor to Target following the Amalgamation, consists of an unlimited number of common shares (the **Common Shares**) and an unlimited number of preferred shares, issuable in series. As of the date hereof, all of the outstanding Common Shares are held by Acquiror. The Filer continues to have 24,183,443 warrants (the **Warrants**), 1,099,281 broker compensation options (the **Compensation Options**) and the C$5,000,000 convertible promissory note (the **MFI Note**) outstanding, each of which, as a result of the Arrangement and the terms of such securities, is exercisable to acquire Acquiror Shares based on the Exchange Ratio (as defined and described below). The Filer does not have any other securities outstanding.

5. Immediately prior to the Effective Time, Amalgamation Sub was a corporation existing under the laws of Ontario and was wholly-owned by Acquiror.

6. Pursuant to the Arrangement and the applicable plan of arrangement (the **Plan of Arrangement**), among other things, the following occurred as of the Effective Time:

   (a) each outstanding Target Option was deemed to be fully vested and was, at the election of the holder, either (i) surrendered to Target in exchange for a specified number of Target Shares based on the difference between the market value of a Target Share and the exercise price of a Target Option or (ii) exchanged for an option to purchase Acquiror Shares (an **Acquiror Option**) based on the Exchange Ratio (as defined below);

   (b) Target and Amalgamation Sub amalgamated to form the Filer. On the Amalgamation:

      (i) each outstanding common share of Amalgamation Sub held by Acquiror was exchanged for a Common Share;

      (ii) each outstanding Target Share was exchanged for 0.1455 of an Acquiror Share (the **Exchange Ratio**); and

      (iii) the Filer issued additional Common Shares to Acquiror;

   (c) the Target Senior Notes outstanding were sold, assigned and transferred to Acquiror in exchange for convertible notes of Acquiror issued to former holders of the Target Senior Notes pursuant to the Credit Facility having the same principal amount as the Target Senior Notes so exchanged and a conversion price reflecting the application of the Exchange Ratio.

7. As a result of the Amalgamation the Filer became liable for the obligations of Target and (i) each Target Warrant became a Warrant; (ii) each Target Compensation Option became a Compensation Option; and (iii) the Target MFI Note became the MFI Note.

8. Following the Effective Date, pursuant to the terms of the Plan of Arrangement and the terms of the Warrants, the Compensation Options and the MFI Note (collectively, the **Filer Convertible Securities**), each holder of the Filer Convertible Securities outstanding immediately prior to the Effective Date became entitled to receive, upon the exercise of such securities, in lieu of each Target Share to which such holder was previously entitled, 0.1455 of an Acquiror Share, subject to adjustment in accordance with the terms of such securities. As a party to the Arrangement, Acquiror

is obligated to issue the number of Acquiror Shares required to meet the Filer's obligations upon exercise of the Filer Convertible Securities.

9. Following the Effective Date, the only outstanding securities of the Filer held by persons other than Acquiror are the Filer Convertible Securities.

   (a) As to the Target Warrants, to the best of the Filer's knowledge and belief and based on a review of its books and records and a geographical analysis report in respect of Target Warrants held by CDS& Co. on behalf of its participants, there are 106 beneficial holders of Target Warrants, 11 of which are in Alberta (79,200 Target Warrants representing 0.31% of the total aggregate Target Warrants), 5 of which are in British Columbia (81,000 Target Warrants representing 0.32% of the total aggregate Target Warrants), 2 of which are in Manitoba (15,000 Target Warrants representing 0.06% of the total aggregate Target Warrants), 1 of which is in New Brunswick (955,000 Target Warrants representing 3.75% of the total aggregate Target Warrants), 64 of which are in Ontario (15,096,538 Target Warrants representing 59.34% of the total aggregate Target Warrants), 1 of which is in Quebec (6,300 Target Warrants representing 0.02% of the total aggregate Target Warrants), 7 of which are in the United States (4,530,666 Target Warrants representing 17.81% of the total aggregate Target Warrants) and 6 of which are in other foreign jurisdictions (4,675,311 Target Warrants representing 18.38% of the total aggregate Target Warrants).

   (b) As to the Compensation Options, there are three beneficial holders of an aggregate of 1,099,281 Compensation Options outstanding, all of whom reside in Ontario.

   (c) As to the MFI Note, there is one beneficial holder resident in Ontario. Furthermore, the MFI Note matures on June 16, 2016 and the Acquiror has advised that it will take the necessary steps to make funds available to repay the MFI Note at maturity.

10. The Filer is not required to remain a reporting issuer pursuant to the terms of the Filer Convertible Securities. The terms of the Filer Convertible Securities contain provisions addressing a corporate reorganization or merger, including the Arrangement, and provide for the issuance of Acquiror Shares in lieu of the Common Shares subsequent to such an event. As a result, no consents or approvals were required from the holders of the Filer Convertible Securities. Furthermore, the interim order issued by the Ontario Superior Court of Justice (Commercial List) in connection with the Arrangement did not grant the holders of the Filer Convertible Securities the right to receive notice or vote in connection with the approval of the Arrangement and such notice was not provided.

11. Following the Effective Date, the Acquiror Shares issued under the Arrangement were listed on the TSX and the NASDAQ and additional Acquiror Shares were authorized for issuance upon exercise of the Acquiror Options and the Filer Convertible Securities.

12. The Common Shares (formerly Target Shares) were delisted from the TSXV as of the close of business on February 8, 2016.

13. As a result of the Arrangement, Acquiror became a reporting issuer in the Jurisdictions because Target, one of the amalgamating corporations, was a reporting issuer in the Jurisdictions for a period of at least 12 months prior to the Effective Date. As a result, public disclosure relating to the former business of Target will form part of the continuous disclosure obligations of Acquiror as a reporting issuer in the Jurisdictions.

14. The Filer is not eligible to surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 securityholders. As a result, and because the Filer's outstanding securities are not beneficially held, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide, the Filer is not eligible to apply to cease to be a reporting issuer under the simplified procedure in CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer*.

15. No securities of the Filer, 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.

16. The Filer has no intention to seek public financing by way of an offering of securities.

17. The Filer has separately applied for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public.

18. The Filer is not a reporting issuer in any jurisdiction of Canada other than the Jurisdictions. The Filer is applying for exemptive relief to cease to be a reporting issuer in each of the Jurisdictions.

19. Upon granting of the requested exemptive relief, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

20. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than the requirement to file its annual financial statements and management's discussion and analysis in respect of such statements for the period ended December 31, 2015 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, each of which became due on April 29, 2016.

21. The Acquiror is not in default of any of its obligations under the Legislation as a reporting issuer.

Decision

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

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

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

2.1.4 BMO Private Investment Counsel Inc. and BMO Private Canadian Growth Equity Portfolio

Headnote

National Policy 11-203 – relief granted from the requirement to obtain securityholder approval of merger under National Instrument 81-102 Investment Funds – approval granted for mutual fund merger – securities of the mutual funds only available for purchase by unitholders who have entered into discretionary investment management agreements giving full discretionary authority to manager – merger will be completed on tax-deferred basis – merger is neutral from fee and expense perspective – costs of merger borne by manager – convening unitholder meeting would represent an unnecessary expense.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.1(1)(f), 5.5(1)(b), 5.6, 19.1.

May 30, 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
BMO PRIVATE INVESTMENT COUNSEL INC.
(the Filer)

AND

BMO PRIVATE CANADIAN GROWTH EQUITY PORTFOLIO
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**):

(a) exempting the Terminating Fund from subsection 5.1(1)(f) of NI 81-102, which requires a mutual fund to obtain the prior approval of its unitholders before the mutual fund undertakes a reorganization with, or transfers its asset to, another mutual fund (the **Unitholder Meeting Relief**); and

(b) approving of the merger (the **Merger**) of the Terminating Fund into BMO Private Canadian Conservative Equity Portfolio (the **Continuing Fund**) pursuant to subsection 5.5(1)(b) of NI 81-102 (the **Merger Approval**)

(collectively, the Unitholder Meeting Relief and the Merger Approval shall be referred to as the **Requested Relief**).

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

BMO Private Portfolios means collectively the Terminating Fund, the Continuing Fund and other mutual funds managed by the Filer;

Funds means collectively the Terminating Fund and the Continuing Fund;

IRC means the Independent Review Committee for the Terminating Fund and the Continuing Fund;

NI 81-102 means National Instrument 81-102 *Investment Funds*;

NI 81-106 means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

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

Tax Act means the *Income Tax Act* (Canada).

Representations

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

The Filer

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

2. The Filer is the manager and portfolio manager of the Terminating Fund and the Continuing Fund. An affiliate of the Filer, BMO Trust Company, is the trustee of the Funds.

3. The Filer, an indirect, wholly-owned subsidiary of Bank of Montreal, is registered as a portfolio manager and exempt market dealer in each of the provinces and territories of Canada, as an investment fund manager in Ontario, Newfoundland and Labrador and Quebec, as a commodity trading counsel and commodity trading manager in Ontario and as a derivatives portfolio manager in Quebec.

The Funds

4. Each of the Funds is an open-ended mutual fund trust established under the laws of the Province of Ontario by declaration of trust.

5. Units of the BMO Private Portfolios are qualified for sale in each jurisdiction in Canada by a simplified prospectus dated May 7, 2015.

6. Each Fund is governed by NI 81-102, subject to any relief therefrom granted by the securities regulatory authorities.

7. The Funds are reporting issuers under the applicable securities legislation of each jurisdiction of Canada.

8. Neither the Filer nor the Funds are in default of securities legislation in any jurisdiction of Canada.

9. Unless an exemption has been obtained, each of the Funds follows the standard investment restrictions and practices established by the securities regulatory authorities in each jurisdiction in Canada.

10. The net asset value for units of the Funds is calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading.

11. Each Fund pays all expenses relating to its operation and the carrying on of its business. Although any sub-advisory fees (including taxes) are an expense of each Fund, the Filer has agreed to absorb 0.15% (plus tax) of any sub-advisory fee payable for each Fund.

12. The Filer proposes to merge the Terminating Fund into the Continuing Fund on or about July 8, 2016.

13. Prior to or concurrently with the implementation of the Merger, the Filer anticipates changing the name of the Continuing Fund to BMO Private Canadian Core Equity Portfolio.

Unitholder Meeting Relief

14. The Filer offers fully discretionary investment management services to clients in each jurisdiction in Canada, including all of the investors in the BMO Private Portfolios.

15. The BMO Private Portfolios were established as an efficient and cost effective means of providing discretionary investment management services to many of the Filer's clients, including all of the investors in the Terminating Fund and the Continuing Fund, as an alternative to segregated account management.

16. The Filer has determined that it is appropriate to effect the Merger without obtaining unitholder approval.

17. The Filer believes that the Merger is in the best interests of the unitholders of the Terminating Fund and the Continuing Fund because:

    (a) the Merger would result in unitholders being invested in a Continuing Fund with a portfolio of greater value, allowing for increased portfolio diversification opportunities;

    (b) the Merger will be effected on a tax-deferred basis and thus will not trigger a capital gain or loss upon the transfer of each unitholder's investment from the Terminating Fund to the Continuing Fund;

    (c) there will be a savings in brokerage charges over a straight liquidation of the Terminating Fund's portfolio on a wind-up of the Terminating Fund; and

    (d) the Merger will eliminate the administrative and regulatory costs of operating the Terminating Fund as a separate mutual fund.

18. The proposed Merger is neutral to the unitholders of each of the Funds from a fee and expense perspective.

19. Paragraph 5.1(1)(f) of NI 81-102 requires that the approval of the securityholders of an investment fund be obtained before the investment fund undertakes a reorganization with, or transfers its assets to, another issuer.

20. Units of the Terminating Fund are only available for purchase by investors who have entered into a discretionary investment management agreement with the Filer.

21. The Filer is authorized under its discretionary investment management agreement with each client who is an investor in a BMO Private Portfolio to make any investment on behalf of the client (provided such investment is consistent with the mandate established by that client). Unitholders of a BMO Private Portfolio do not participate in the investment decision of purchasing, holding, or selling units of a BMO Private Portfolio.

22. Under its discretionary investment management agreement with each client, the Filer is authorized to receive all securityholder materials relating to the securities held in the client's account, and to vote on behalf of the client on any matters relating to the securities held in the client's account (provided that such vote is in the best interests of the client.)

23. The unitholders of the Terminating Fund are relying entirely on the Filer to make investment decisions for them and, in these circumstances, the Merger is analogous to the Filer changing a client's investment from one BMO Private Portfolio to another. As such investment changes do not require client approval, the Filer has determined that it is appropriate to effect the Merger without obtaining unitholder approval.

24. As every investor in the Terminating Fund has entered into a discretionary investment management agreement with the Filer, the Filer believes that sending meeting materials and convening unitholder meetings for the purpose of obtaining unitholder approval to effect the Merger is not desirable and represents an unnecessary cost and inconvenience to the Filer and the unitholders of the Terminating Fund.

25. Prior to, or no later than the next account statement mailing following the implementation of the Merger, the Filer will communicate with each client that holds units of the Terminating Fund to explain the changes to their account occurring as a result of the Merger.

Merger Approval

26. On April 27, 2016, the Filer presented the terms of the Merger to the IRC for its approval. The IRC reviewed the proposed Merger, determined that the Merger would achieve a fair and reasonable result for the Funds and has provided its approval in respect of the Merger.

27. Upon the approval of the Merger by the boards of directors of the Filer and of BMO Trust Company on May 3, 2016, a press release was issued and filed on May 4, 2016 and a material change report and amendment to the simplified prospectus of the Terminating Fund describing the Merger were filed on SEDAR, in accordance with the continuous disclosure obligations of the Terminating Fund set forth in Part 11 of NI 81-106.

28. The Merger will be completed as a "qualifying exchange" within the meaning of section 132.2 of the Tax Act.

29. A reasonable person may not consider the fundamental investment objectives of the Terminating Fund and the Continuing Fund to be substantially similar. However, both Funds have substantially similar investment strategies and mandates in that they both provide exposure to equity securities of Canadian issuers. The Terminating Fund invests primarily in growth-oriented equity securities of Canadian issuers of any capitalization while the Continuing Fund invests primarily in equity securities of large Canadian issuers with any investment characteristic.

30. Units of the Terminating Fund will continue to be available for sale until the close of business on July 6, 2016, following which time the distribution of new units will cease, except under a continuous savings plan or similar systematic plan established prior to July 6, 2016.

31. No sales charges will be payable in connection with the issuance of units of the Continuing Fund in exchange for the investment portfolio of the Terminating Fund.

32. The portfolio assets of the Terminating Fund to be acquired by the Continuing Fund arising from the Merger are currently, or will be, acceptable, on or prior to the effective date of the Merger, to the portfolio advisor of the Continuing Fund and are or will be consistent with the investment objectives of the Continuing Fund.

33. Unitholders of the Terminating Fund will continue to have the right to redeem units of the Terminating Fund at any time up to the close of business on the business day immediately preceding the effective date of the Merger.

34. The Filer will bear the costs and expenses associated with the Merger, including all brokerage expenses incurred in respect of any required sale of portfolio assets of the Terminating Fund.

35. Pursuant to the Merger, holders of units of the Terminating Fund will receive units of the Continuing Fund.

36. Following the Merger, the Continuing Fund will continue as a publicly offered open-ended mutual fund and the Terminating Fund will be wound up as soon as reasonably practicable.

37. Regulatory approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102 because:

    (a) a reasonable person may not consider the fundamental investment objectives of the Terminating Fund to be substantially similar to the fundamental investment objectives of the Continuing Fund, as contemplated in paragraph 5.6(1)(a)(ii);

    (b) approval of the Merger will not be obtained by the unitholders of the Terminating Fund, as contemplated in subsection 5.6(1)(e)(i) of NI 81-102; and

    (c) meeting materials will not be delivered to unitholders of the Terminating Fund in connection with such unitholder meeting, as contemplated in subsection 5.6(1)(f) of NI 81-102, since no unitholder meeting will be held in connection with the Merger.

38. The Filer will, except as noted above, comply with all of the other criteria for pre-approved reorganizations and transfers, as set out in section 5.6 of NI 81-102.

Decision

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

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

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

2.1.5 Boyd Group Income Fund

Headnote

Regulation 11-102 Passport System and Policy Statement 11-203 Process for Exemptive Relief applications in Multiple Jurisdictions – BAR – Exemption from the requirement to file a BAR under Part 8 of Regulation 51-102 Continuous Disclosure Obligations (Regulation 51-102) – The acquisition is non-significant applying the asset and investment tests; applying the profit or loss test produces an anomalous result because the significance of the acquisition under this test is disproportionate to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors; the Filer has provided additional measures that demonstrate the non-significance of the Acquisition to the Filer and that are generally consistent with the results when applying the asset and investment tests.

Applicable Legislative Provisions

Regulation 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1(1).

June 13, 2016

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

AND

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

AND

IN THE MATTER OF
BOYD GROUP INCOME FUND
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) to grant an exemption from the requirement under subsection 8.2(1) of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) to file a business acquisition report (**BAR**) in connection with the CC Acquisition (as defined below).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the Provinces of British Columbia, Alberta, Saskatchewan, Newfoundland and Labrador, Nova Scotia, New Brunswick; and Prince Edward Island; 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*, MI 11-102 or NI 51-102 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:

The Filer

1. The Filer is an unincorporated open-ended mutual fund trust established under the laws of the Province of Manitoba pursuant to a declaration of trust, with its head office in Winnipeg, Manitoba.

2. The Filer is currently a reporting issuer or the equivalent to a reporting issuer in each of the Jurisdictions and is not in default of any requirements of the securities legislation in any Jurisdiction.

3. The Filer and its directly and indirectly controlled subsidiaries, including The Boyd Group Inc., a Manitoba corporation, and Boyd Group (U.S.) Inc., a Delaware corporation:

   (a) operate 357 collision center locations in Canada and the United States;

   (b) have a significant interest in retail auto glass with locations across 31 states in the United States;

   (c) operate a third party administrator business in the U.S. which offers first notice of loss, glass and related services with approximately 5,500 affiliated glass provider locations and 4,600 affiliated emergency roadside service providers;

   (d) had gross revenues of $1,174,077,000 in fiscal 2015; and

   (e) had total assets of $638,922,000 as at December 31, 2015[1].

4. The authorized capital of the Filer consists of an unlimited number of Units. The Units are posted and listed for trading on the Toronto Stock Exchange (TSX) under the symbol "BYD.UN". As of March 22, 2016 there were 18,027,329 Units of the Filer issued and outstanding and valued at a closing price of $62.77, which equates to a market capitalization of over $1,000,000,000.

5. On December 19, 2012 and December 24, 2012 (pursuant to an over-allotment option in favour of the underwriters), the Filer issued $34,200,000 aggregate principal amount of convertible unsecured subordinated debentures (the 2012 Debentures) due December 31, 2017 with a conversion price of $23.40. The 2012 Debentures were listed on the TSX and traded under the symbol "BYD.DB" before they were converted to Units of the Filer and subsequently fully redeemed by the Filer in January of this year.

6. On September 29, 2014, the Filer issued $57,500,000 aggregate principal amount of convertible unsecured subordinated debentures (the 2014 Debentures) due October 31, 2021 with a conversion price of $61.40. The 2014 Debentures are listed on the TSX and trade under the symbol "BYD.DB.A".

7. The 2014 Debentures bear interest at an annual rate of 5.25% payable semi-annually, and are convertible at the option of the holder, into units of the Filer at any time prior to the maturity date and may be redeemed by the Filer on or after October 31, 2017 provided that certain thresholds are met surrounding the weighted average market price of the units at that time. On redemption or maturity, the Debentures may, at the option of the Filer, be repaid in cash or subject to regulatory approval, units of the Filer.

The CC Acquisition and its Significance

8. Under Section 8.2 of NI 51-102, an issuer is required to file a BAR within 75 days of completing a "significant acquisition" (the **BAR Requirements**). The determination of whether or not an acquisition is significant is determined by the application of the three tests set forth under Section 8.3(2) of NI 51-102 (the **Required Tests**). Subject to the Optional Tests referred to in paragraph 10 below, if an acquisition satisfies any one of the three Required Tests, it is deemed significant for the purpose of NI 51-102 and a BAR must be filed in respect of that "significant acquisition".

9. In a transaction that closed on March 31, 2016, the Filer's Subsidiary, Hansen Collision, Inc., acquired the business and assets of Collision Cure, Inc., Collision Cure, Kokomo, Inc., Collision Cure Indy, Inc., Collision Cure Muncie, Inc., Collision Cure Marion, Inc., and Collision Cure Fishers, Inc., each an Indiana corporation (collectively referred to as **Collision Cure**) (the **CC Acquisition**). When the Filer applied each of the Required Tests to the CC Acquisition both the "Asset Test" and the "Investment Test" were satisfied. In fact, in each case, the calculated percentage was less than 4%, that percentage amount being a significant difference from the 20% required to trigger the BAR Requirements. However, when the "Profit or Loss Test" was applied to the CC Acquisition, the calculated percentage was 98.5%, a percentage amount that would require the filing of a BAR. The calculations were based on the December 31, 2015 annual financial statements and are set out below (amounts in thousands of Canadian dollars):

[1] All information as of December 31, 2015 – see 2015 Boyd Group Income Fund Annual Report

	Collision Cure	Filer	%
Assets	5,371	638,922	0.8%
Investment	21,429	638,922	3.4%
Profit or (Loss)	1,609	(1,634)	98.5%

10. Sections 8.3(3) and 8.3(4) of NI 51-102 provides for the application of optional significance tests when one or more of the three Required Tests is not satisfied (the *Optional Tests*). When the Filer applied the optional "Profit and Loss Test" under Section 8.3(4)(c), the calculated percentage was again greater than 20% and, as a result, the CC Acquisition is significant under NI 51-102 and, therefore, absent the relief requested herein, subject to the BAR Requirements. In applying both the required and optional "Profit and Loss Test", the Filer also had regard to the guidance under Sections 8.3(8), (9) and (10) of NI 51-102. In each case, the significance threshold was crossed.

The Significance of the CC Acquisition from a Practical, Commercial, or Financial Perspective

11. Overall, the Filer is of the view that the CC Acquisition is not a "significant acquisition" to it from a practical, commercial or financial perspective due to the results of the asset test and the investment test and other metrics put forward by the Filer.

Decision

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

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

"Chris Besko"
Director, General Counsel
The Manitoba Securities Commission

2.2 Orders

2.2.1 Tribute Pharmaceuticals Canada Inc. – s. 1(6) of the OBCA

Headnote

Subsection 1(6) of the Business Corporations Act (Ontario) – application for an order that an issuer is deemed to have ceased to be offering its securities to the public – the applicant is a wholly owned subsidiary of another issuer as a result of a plan of arrangement under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

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

AND

IN THE MATTER OF
TRIBUTE PHARMACEUTICALS CANADA INC.
(THE "FILER")

ORDER
(SUBSECTION 1(6) OF THE OBCA)

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

AND UPON the Filer representing to the Commission that:

1. The Filer is a corporation existing under the laws of Ontario and was formed by the amalgamation (the **Amalgamation**) of Tribute Pharmaceuticals Canada Inc. (**Target**) and ARLZ CA Acquisition Corp. (**Amalgamation Sub**) pursuant to an arrangement (the **Arrangement**) under section 182 of the *Business Corporations Act* (Ontario) (the **OBCA**), which became effective at 11:00 a.m. (the **Effective Time**) on February 2, 2016 (the **Effective Date**). The Filer's head office is located at 151 Steeles Avenue East, Milton, Ontario, Canada L9T 1Y1.

2. Aralez Pharmaceuticals Inc. (**Acquiror**) is a corporation existing under the laws of British Columbia. The authorized capital of Acquiror consists of an unlimited number of common shares (the **Acquiror Shares**). The Acquiror Shares are listed on the Toronto Stock Exchange (the **TSX**) under the symbol "ARZ" and on the NASDAQ Stock Market LLC (**NASDAQ**) under the symbol "ARLZ". Acquiror is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. Concurrently with the completion of the transactions contemplated by the Arrangement, Acquiror also acquired POZEN Inc. (**Pozen**), a Delaware company whose common stock was formerly traded on the NASDAQ. As a result, the business of the Filer represents only a portion of the overall business of Acquiror.

3. Immediately prior to the Effective Time, Target was a corporation existing under the laws of Ontario and had the following outstanding securities: (i) 209,570,551 common shares (the **Target Shares**); (ii) 7,000,953 options to purchase Target Shares (the **Target Options**); (iii) 25,439,015 warrants to purchase Target Shares (the **Target Warrants**); (iv) 1,099,281 broker compensation options (the **Target Compensation Options**); (v) a C$5,000,000 convertible unsecured promissory note (the **Target MFI Note**) and (vi) an aggregate of US$75,000,000 of senior secured convertible notes (the **Target Senior Notes**) issued pursuant to that second amended and restated credit facility dated December 7, 2015 by and among Acquiror, Pozen, the Filer and the lenders thereunder (the **Credit Facility**). The Target Shares were listed on the TSX Venture Exchange (the **TSXV**) under the symbol "TRX". No other securities of Target were listed on any exchange. Target was a reporting issuer in each of the Jurisdictions.

4. The authorized capital of the Filer, being the successor to Target following the Amalgamation, consists of an unlimited number of common shares (the **Common Shares**) and an unlimited number of preferred shares, issuable in series. As of the date hereof, all of the outstanding Common Shares are held by Acquiror. The Filer continues to have 24,183,443 warrants (the **Warrants**), 1,099,281 broker compensation options (the **Compensation Options**) and the C$5,000,000 convertible promissory note (the **MFI Note**) outstanding, each of which, as a result of the Arrangement and the terms of

such securities, is exercisable to acquire Acquiror Shares based on the Exchange Ratio (as defined and described below). The Filer does not have any other securities outstanding.

5. Immediately prior to the Effective Time, Amalgamation Sub was a corporation existing under the laws of Ontario and was wholly-owned by Acquiror.

6. Pursuant to the Arrangement and the applicable plan of arrangement (the **Plan of Arrangement**), among other things, the following occurred as of the Effective Time:

   (a) each outstanding Target Option was deemed to be fully vested and was, at the election of the holder, either (i) surrendered to Target in exchange for a specified number of Target Shares based on the difference between the market value of a Target Share and the exercise price of a Target Option or (ii) exchanged for an option to purchase Acquiror Shares (an **Acquiror Option**) based on the Exchange Ratio (as defined below);

   (b) Target and Amalgamation Sub amalgamated to form the Filer. On the Amalgamation:

      (i) each outstanding common share of Amalgamation Sub held by Acquiror was exchanged for a Common Share;

      (ii) each outstanding Target Share was exchanged for 0.1455 of an Acquiror Share (the **Exchange Ratio**); and

      (iii) the Filer issued additional Common Shares to Acquiror;

   (c) the Target Senior Notes outstanding were sold, assigned and transferred to Acquiror in exchange for convertible notes of Acquiror issued to former holders of the Target Senior Notes pursuant to the Credit Facility having the same principal amount as the Target Senior Notes so exchanged and a conversion price reflecting the application of the Exchange Ratio.

7. As a result of the Amalgamation the Filer became liable for the obligations of Target and (i) each Target Warrant became a Warrant; (ii) each Target Compensation Option became a Compensation Option; and (iii) the Target MFI Note became the MFI Note.

8. Following the Effective Date, pursuant to the terms of the Plan of Arrangement and the terms of the Warrants, the Compensation Options and the MFI Note (collectively, the **Filer Convertible Securities**), each holder of the Filer Convertible Securities outstanding immediately prior to the Effective Date became entitled to receive, upon the exercise of such securities, in lieu of each Target Share to which such holder was previously entitled, 0.1455 of an Acquiror Share, subject to adjustment in accordance with the terms of such securities. As a party to the Arrangement, Acquiror is obligated to issue the number of Acquiror Shares required to meet the Filer's obligations upon exercise of the Filer Convertible Securities.

9. Following the Effective Date, the only outstanding securities of the Filer held by persons other than Acquiror are the Filer Convertible Securities.

   (a) As to the Target Warrants, to the best of the Filer's knowledge and belief and based on a review of its books and records and a geographical analysis report in respect of Target Warrants held by CDS& Co. on behalf of its participants, there are 106 beneficial holders of Target Warrants, 11 of which are in Alberta (79,200 Target Warrants representing 0.31% of the total aggregate Target Warrants), 5 of which are in British Columbia (81,000 Target Warrants representing 0.32% of the total aggregate Target Warrants), 2 of which are in Manitoba (15,000 Target Warrants representing 0.06% of the total aggregate Target Warrants), 1 of which is in New Brunswick (955,000 Target Warrants representing 3.75% of the total aggregate Target Warrants), 64 of which are in Ontario (15,096,538 Target Warrants representing 59.34% of the total aggregate Target Warrants), 1 of which is in Quebec (6,300 Target Warrants representing 0.02% of the total aggregate Target Warrants), 7 of which are in the United States (4,530,666 Target Warrants representing 17.81% of the total aggregate Target Warrants) and 6 of which are in other foreign jurisdictions (4,675,311 Target Warrants representing 18.38% of the total aggregate Target Warrants).

   (b) As to the Compensation Options, there are three beneficial holders of an aggregate of 1,099,281 Compensation Options outstanding, all of whom reside in Ontario.

   (c) As to the MFI Note, there is one beneficial holder resident in Ontario. Furthermore, the MFI Note matures on June 16, 2016 and the Acquiror has advised that it will take the necessary steps to make funds available to repay the MFI Note at maturity.

10. The Filer is not required to remain a reporting issuer pursuant to the terms of the Filer Convertible Securities. The terms of the Filer Convertible Securities contain provisions addressing a corporate reorganization or merger, including the Arrangement, and provide for the issuance of Acquiror Shares in lieu of the Common Shares subsequent to such an event. As a result, no consents or approvals were required from the holders of the Filer Convertible Securities. Furthermore, the interim order issued by the Ontario Superior Court of Justice (Commercial List) in connection with the Arrangement did not grant the holders of the Filer Convertible Securities the right to receive notice or vote in connection with the approval of the Arrangement and such notice was not provided.

11. Following the Effective Date, the Acquiror Shares issued under the Arrangement were listed on the TSX and the NASDAQ and additional Acquiror Shares were authorized for issuance upon exercise of the Acquiror Options and the Filer Convertible Securities.

12. The Common Shares (formerly Target Shares) were delisted from the TSXV as of the close of business on February 8, 2016.

13. As a result of the Arrangement, Acquiror became a reporting issuer in the Jurisdictions because Target, one of the amalgamating corporations, was a reporting issuer in the Jurisdictions for a period of at least 12 months prior to the Effective Date. As a result, public disclosure relating to the former business of Target will form part of the continuous disclosure obligations of Acquiror as a reporting issuer in the Jurisdictions.

14. No securities of the Filer, 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.

15. The Filer has no intention to seek public financing by way of an offering of securities.

16. The Acquiror is not in default of any of its obligations under the legislation as a reporting issuer.

17. The Filer had applied for exemptive relief to cease to be a reporting issuer in each of the Jurisdictions, which was granted on June 6, 2016. Accordingly, the Filer is not a reporting issuer or equivalent in any jurisdiction of Canada.

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

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

DATED at Toronto, Ontario on this 7th day of June , 2016.

“Edward P. Kerwin”
Commissioner
Ontario Securities Commission

“Christopher Portner”
Commissioner
Ontario Securities Commission

2.2.2 MM Café Franchise Inc. et al. – s. 127

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

AND

**IN THE MATTER OF
MM CAFÉ FRANCHISE INC.,
DCL HEALTHCARE PROPERTIES INC.,
CULTURALITE MEDIA INC.,
CAFÉ ENTERPRISE TORONTO INC.,
TECHOCAN INTERNATIONAL CO. LTD.,
1727350 ONTARIO LTD.,
MARIANNE GODWIN,
DAVE GARNET CRAIG,
FRANK DELUCA,
ELAINE CONCEPCION and
HAIYAN (HELEN) GAO JORDAN**

**ORDER
(Section 127 of the Securities Act)**

WHEREAS

1. on March 23, 2016, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 23, 2016, to consider whether it is in the public interest to make certain orders against MM Café Franchise Inc. ("MMCF"), DCL Healthcare Properties Inc. ("DCL"), Culturalite Media Inc. ("Culturalite"), Café Enterprise Toronto Inc. ("CET"), Techocan International Co. Ltd. ("Techocan"), 1727350 Ontario Ltd. ("1727350"), Marianne Godwin ("Godwin"), Dave Garnet Craig ("Craig"), Frank DeLuca ("DeLuca"), Elaine Concepcion ("Concepcion") and Haiyan (Helen) Gao Jordan ("Jordan") (the "Respondents");

2. the Notice of Hearing set April 21, 2106 as the hearing date in this matter;

3. on April 21, 2016, counsel for Staff and counsel for DCL, CET, Techocan, 1727350, Godwin, Craig, DeLuca and Jordan appeared before the Commission and made submissions and no one appeared on behalf of MMCF, Concepcion and Culturalite, although properly served;

4. on April 21, 2016, the Commission ordered that:

   (a) Staff shall disclose to the Respondents documents and things in the possession or control of Staff that are relevant to the hearing by May 20, 2016;

   (b) Staff shall provide to the Respondents its witness list and witness summaries and indicate any intent to call an expert witness including the name of the expert witness and the issue on which the expert will be giving evidence by August 25, 2016;

   (c) This proceeding is adjourned to a Second Appearance to be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing September 6, 2016 at 3:30 p.m., or as soon thereafter as the hearing can be held;

5. on June 7, 2016, a request was made that the Second Appearance be adjourned to September 13, 2016 and the parties consented to this request;

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

IT IS ORDERED that:

1. The hearing date scheduled for September 6, 2016 is vacated;

2. The Second Appearance shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing September 13, 2016 at 3:30 p.m.

DATED at Toronto this 9th day of June, 2016.

"Janet Leiper"

2.2.3 Clairvest Group Inc. – s. 4.2 of OSC Rule 56-501 Restricted Shares

Headnote

OSC Rule 56-501 Restricted Shares – section 4.2 – issuer exempt from certain requirements of Part 3 of Rule 56-501 with respect to creation and implementation of non-voting share option plan.

Statutes Cited

OSC Rule 56-501 Restricted Shares, s. 4.2.

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

AND

IN THE MATTER OF
CLAIRVEST GROUP INC.
(the Filer)

ORDER
(Section 4.2 of Rule 56-501)

WHEREAS the Filer has applied to the Director (the **Director**) for an exemption from the requirements under section 3.2 of OSC Rule 56-501 *Restricted Shares* (**Rule 56-501**) for a prospectus exemption to be available for a stock distribution of securities so that these requirements shall not apply to the Filer in connection with the reorganization and any stock distribution of a series of non-voting shares of the Filer (**Non-Voting Shares**) upon the grant and exercise of options to purchase Non-Voting Shares (**Options**) pursuant to a non-voting share option plan (the **Plan**);

AND WHEREAS the Filer has represented to the Director that:

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on February 13, 1987. The Filer's head office is located in Toronto, Ontario.

2. The Filer is a reporting issuer only in the Province of Ontario.

3. The authorized capital of the Filer consists of an unlimited number of preference shares, issuable in series (**Preference Shares**) and an unlimited number of common shares (**Common Shares**). As at the date hereof, no Preference Shares and 15,214,095 Common Shares are issued and outstanding.

4. The Common Shares are listed on the Toronto Stock Exchange.

5. The Filer is not in default of any applicable securities laws.

6. The Filer's directors own or control approximately 84.5% of the outstanding Common Shares. Excluding the Common Shares owned or controlled by Kenneth Rotman, who is the only person or company that may be considered a control person of the Filer within the meaning of Rule 56-501 (the **Control Person**), the remaining directors own or control approximately 68.6% of the remaining Common Shares.

7. On May 26, 2016, the Filer adopted the Plan pursuant to which Options to purchase Non-Voting Shares will be granted to employee participants.

8. The Non-Voting Shares will be: (i) non-voting; (ii) not convertible into Common Shares; (iii) participate *pari passu* with Common Shares on liquidation; (iv) entitled to dividends on the same basis as Common Shares; (v) redeemable at the option of the Filer for fair market value; and (vi) have no coat tails. Each Non-Voting Share will represent the equivalent of two Common Shares and will be *pari passu* and without preference based on that ratio.

9. The Plan will also provide an option holder with the right in lieu of exercising the Option, to receive a cash payment equal to the difference between the fair market value of the Option and its exercise price.

10. On May 26, 2016, the Filer approved the creation of the Non-Voting Shares by way of a resolution of directors in accordance with the terms of the Preference Shares which authorize the directors to determine the attributes of each series of Preference Shares.

11. The Filer intends to file articles of amendment (the **Articles**) with respect to the Non-Voting Shares on or about June 22, 2016. A maximum of 1,000,000 Non-Voting Shares will be authorized by the directors of the Filer.

12. The Non-Voting Shares will only be issued in connection with the terms of the Plan and will not be used as currency by the Filer to finance future operations.

13. The Non-Voting Shares will not be listed on the Toronto Stock Exchange and will not be convertible into Common Shares.

14. The Non-Voting Shares are "restricted shares" as defined in Rule 56-501 as they are equity shares which are not "common shares" as defined in Rule 56-501.

15. The Filer intends to rely upon the employee prospectus exemption contained in subsection 2.24 of National Instrument 45-106 *Prospectus Exemptions* in connection with securities issued pursuant to the Plan.

16. Section 3.2 of Rule 56-501 applies such that the prospectus exemptions under Ontario securities laws will not be available for a stock distribution of Non-Voting Shares of the Filer unless either:

    (a) the stock distribution receives minority approval; or

    (b) the reorganization carried out by the Filer to create the Non-Voting Shares receives minority approval.

17. The setting of the terms of the Non-Voting Shares by directors' resolution and creation of the Non-Voting Shares upon the filing of the Articles, together, constitute a reorganization as that term is defined in Rule 56-501.

18. The grant of Options and the issuance of Non-Voting Shares upon the exercise of Options are stock distributions as that term is defined in Rule 56-501.

19. The requirement under section 3.2 of Rule 56-501 restricts the issuance of restricted shares, such as the Non-Voting Shares of the Filer, unless the applicable stock distribution or reorganization carried out by the issuer related to the restricted shares that are the subject of the stock distribution has obtained minority approval at a meeting and that shareholders received disclosure in an information circular of certain prescribed information.

20. For the purposes of Rule 56-501 as it applies to the Filer, minority approval means the approval of a proposed reorganization or stock distribution by a majority of the votes cast by shareholders of the Filer, excluding the Control Person, at a meeting of shareholders called to consider such reorganization or stock distribution.

21. Long term compensation plan awards are generally granted to the Filer's employees in June of each year and consequently the Filer will not have the opportunity to seek minority approval of its shareholders to authorize the creation of the Non-Voting Shares at a meeting.

22. In lieu of a holding a shareholders meeting, the Filer received informed written shareholder consents from 11 shareholders holding positions equal to 5,001,355 Common Shares, representing 66.4% of the Common Shares owned by all shareholders other than those owned or controlled by the Control Person with respect to the creation of the Non-Voting Shares and future issuances under the Plan. The information disclosed in the written shareholder consents indicated that minority approval for the reorganization and stock distribution was required and that the minority approval would exclude any votes cast by the Control Person.

23. As a result of having received the written shareholder consents from shareholders eligible to provide minority approval as required under Rule 56-501, the Filer has received minority approval with respect to the reorganization and stock distribution of Options and Non-Voting Shares pursuant to the terms of the Plan.

24. A press release disseminating details of the Non-Voting Shares and the Plan (the **Press Release**) will be issued and publicly filed on SEDAR as soon as possible and before any grants are made under the Plan.

25. The Filer will comply with Part 10 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) with respect to disclosure of the Non-Voting Shares in its continuous disclosure.

26. The Filer will also include in the information circular for its next shareholders meeting certain information respecting the Plan and the Non-Voting Shares.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to grant the exemption requested;

IT IS ORDERED pursuant to subsection 4.2 of Rule 56-501 that the Filer be and is hereby exempted from the requirements of section 3.2 of Rule 56-501 in connection with the reorganization and any stock distribution of Options and Non-Voting Shares pursuant to the Plan provided that:

(a) the Filer files the Press Release on SEDAR no less than seven days prior to the filing of the Articles and any grants being made under the Plan; and

(b) any future reorganization, if any, carried out by the Filer complies with the provisions of section 3.2 of Rule 56-501.

DATED at Toronto on this 14th day of June, 2016.

"Naizam Kanji"
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.3 Orders with Related Settlement Agreements

2.3.1 Andrei Miguel Postrado – ss. 127(1), 127.1 of the Act and Rule 12 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
ANDREI MIGUEL POSTRADO

ORDER
(Pursuant to subsection 127(1) and section 127.1 of the Securities Act and Rule 12 of the Commission's Rules of Procedure)

WHEREAS:

1. On June 3, 2016, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and Staff of the Commission ("Staff") filed a Statement of Allegations dated June 3, 2016 (the "Statement of Allegations") in respect of Andrei Miguel Postrado (the "Respondent");

2. The Respondent and Staff entered into a Settlement Agreement dated June 2, 2016 (the "Settlement Agreement") in which they agreed to a settlement in relation to the matters set out in the Notice of Hearing and the Statement of Allegations subject to the approval of the Commission;

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

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to subsection 127(1)2 of the Act, trading in any securities by the Respondent shall cease for seven years;

(c) pursuant to subsection 127(1)2.1 of the Act, the acquisition of any securities by the Respondent is prohibited for seven years;

(d) pursuant to subsection 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to the Respondent for seven years;

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

(f) pursuant to subsection 127(1)7 of the Act, the Respondent resign any position he holds as a director or as an officer of any issuer;

(g) pursuant to subsection 127(1)8 of the Act, the Respondent is prohibited from becoming or acting as a director or as an officer of any issuer for seven years;

(h) pursuant to subsection 127(1)8.1 of the Act, the Respondent resign any position he holds as a director or as an officer of a registrant;

(i) pursuant to subsection 127(1)8.2 of the Act, the Respondent is prohibited from becoming or acting as a director or as an officer of a registrant for seven years;

(j) pursuant to subsection 127(1)8.3 of the Act, the Respondent resign any position he holds as a director or as an officer of an investment fund manager;

(k) pursuant to subsection 127(1)8.4 of the Act, the Respondent is prohibited from becoming or acting as a director or as an officer of an investment fund manager for seven years;

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

(m) pursuant to subsection 127(1)9 of the Act, the Respondent pay an administrative penalty of $20,000, which amount is designated for allocation or use by the Commission in accordance with paragraphs b(i) or (ii) of subsection 3.4(2) of the Act;

(n) pursuant to subsection 127(1)10 of the Act, the Respondent disgorge to the Commission the amount of $200,375, which amount is designated for allocation or use by the Commission in accordance with paragraphs b(i) or (ii) of subsection 3.4(2) of the Act;

(o) pursuant to subsection 127.1(1) of the Act, the Respondent pay the costs of the Commission's investigation in the amount of $8,500;

(p) after the balance of the payments set out in sub-paragraphs (m), (n), and (o) above, is made in full, as an exception to the provisions of sub-paragraphs (b), (c), and (d) above, Andrei is permitted to trade or acquire mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the Income Tax Act (Canada)) of which Andrei has sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom Andrei must give a copy of this Order at the time he opens or modifies these accounts; and

(q) with respect to the monetary orders made in sub-paragraphs (m), (n), and (o) above, the Respondent shall pay in full the entire amounts ordered in such sub-paragraphs within three years of the making of this Order.

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

"Christopher Portner"

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

AND

IN THE MATTER OF
ANDREI MIGUEL POSTRADO

SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
ANDREI MIGUEL POSTRADO

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Andrei Miguel Postrado, ("Andrei" or the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding to be commenced by the Notice of Hearing and a Statement of Allegations to be filed by Staff (the "Proceeding") against Andrei according to the terms and conditions set out in Part V of this Settlement Agreement. Andrei agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. For the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, Andrei agrees with the facts set out in this Part of this Settlement Agreement.

(a) Overview

4. Between June 9, 2015 and September 2, 2015 (the "Relevant Period"), Andrei engaged in tipping and insider trading contrary to subsections 76(2) and 76(1) of the Act respectively.

5. 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 three reporting issuers: Company "A", Company "B", and Company "C" (the "Reporting Issuers"). Andrei purchased securities of the Reporting Issuers while possessed of undisclosed material information.

6. The undisclosed material information respecting the Reporting Issuers was that each of the Reporting Issuers was going to be bought by another entity.

7. Andrei was a person in a special relationship with the Reporting Issuers as a result of his employment with KPMG.

8. Andrei purchased securities of the Reporting Issuers in advance of the public announcement of certain merger and acquisition ("M&A") transactions respecting the Reporting Issuers in online discount brokerage accounts with BMO InvestorLine ("BMO") and Questrade Inc. ("Questrade"). After the public announcement of the M&A transactions, Andrei sold the securities of the Reporting Issuers to earn a profit in his accounts of $200,375.

9. Andrei also conveyed the undisclosed material information to his father, Fernando Postrado ("Fernando").

(b) The Respondent

10. Andrei is 28 years of age. He lives in Toronto. He 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 simple tax returns for corporate clients.

(c) KPMG

11. The KPMG real estate and construction industry tax department provides tax advice to clients in the real estate and construction industry. This includes providing advice to clients involved in M&A transactions. When a client retains KPMG's tax department to provide tax advice on an M&A transaction, the department opens an electronic file respecting the client. The file may be accessed by employees of the tax department unless access to the file is restricted because of potential conflicts. When the tax department is retained by a client on an M & A transaction, a deal team is formed to work on the transaction.

12. During the Relevant Period, the KPMG tax department was retained by clients respecting the M&A transactions involving the Reporting Issuers. Electronic files were opened. Deal teams were formed to work on the transactions.

13. Andrei was not assigned to any of the deal teams involving the transactions respecting the Reporting Issuers.

(d) Trading in Reporting Issuers

(i) Trading in Company A

14. In June 2015, Andrei overheard a conversation between a manager and a partner in the tax department at KPMG. During this conversation, they were discussing the due diligence being done on Company "A". As a result of overhearing the conversation, Andrei believed that Company "A" was about to be acquired.

15. On June 9, 2015, Andrei opened his BMO account. On June 16 and June 17, he purchased 2,500 shares of Company "A" at a cost of $23,750. Between June 11 and June 15, Andrei deposited $10,750 in cash into his BMO account and funded the remainder of his Company "A" share purchase on margin.

16. Andrei possessed undisclosed material information at the time he purchased the Company "A" shares in his BMO account.

17. Shortly after Andrei purchased the shares of Company "A" in his BMO account, Company "A" announced that it had entered into an arrangement to be acquired for approximately $12 per share, an increase of approximately $2.50 per share from its closing price on June 17, 2015. KPMG was first aware of the transaction on or about May 15, 2015.

18. Andrei sold his entire position on June 19, 2015 at $12.50 per share. He earned a profit of $6,375.

(ii) Trading in Company "B"

19. In late June or early July, 2015, Andrei accessed the electronic client file respecting the acquisition of Company "B". Andrei reviewed documents contained in the electronic file which made him believe that Company "B" was about to be acquired.

20. On July 10, 2015, Andrei opened his Questrade account. Between July 17, 2015 and July 29, 2015, Andrei purchased and sold units of Company "B" in his BMO and Questrade accounts. Andrei obtained cash advances on three TD Visa cards totalling $11,900 which he deposited into his Questrade account. In total, Andrei purchased 21,945 Company "B" shares at a cost of $176,472 in his Questrade and BMO accounts.

21. Andrei purchased the shares of Company "B" in his BMO and Questrade accounts with knowledge of the undisclosed material fact that Company "B" was about to be acquired.

22. In early August, 2015, Company "B" announced that it had entered into an arrangement to be acquired. On August 7, 2015, Company "B" closed at approximately $7.75. On the day of the announcement, Company "B" closed at approximately $8.10 per unit. Andrei sold 500 shares of Company "B" from his Questrade Account in July, prior to the public announcement.

23. Following the announcement in early August, 2015, Andrei sold his entire position for $168,550. He lost approximately $4,000.

(iii) Trading in Company "C"

24. In July, 2015, Andrei overheard a conversation between a manager and partner about the due diligence being done on Company "C". As a result of the conversation he overheard, Andrei believed Company "C" was about to be acquired.

25. Between August 17, 2015 and August 19, 2015, Andrei acquired 19,000 shares for approximately $159,000 at an average price of $8.36 per share. These purchases were made in his Questrade and BMO accounts on margin.

26. Andrei purchased the shares of Company "C" in his BMO and Questrade accounts with knowledge of the undisclosed material fact that Company "C" was about to be acquired.

27. In early September, 2015, Company "C" announced that it had agreed to be acquired at approximately $18.75 per share. The Company "C" share price rose from approximately $8.80 to approximately $18.50 per share, following the early September 2015 takeover announcement.

28. On the day of the takeover announcement in early September 2015, Andrei sold his position in Company "C" in both his BMO and Questrade accounts for approximately $353,000. He earned a profit of approximately $194,000.

(e) Andrei tipped Fernando

29. Andrei conveyed the information he had obtained with respect to Company "B" and Company "C" to Fernando. He told Fernando that he believed that Company "B" and Company "C" were about to be acquired based on what he heard at work.

30. Andrei was aware that Fernando purchased securities of Company "B" and Company "C" while possessed of the undisclosed material information that Company "B" and Company "C" were about to be acquired which Andrei had conveyed to him.

(f) Respondent's Position

31. Andrei has no disciplinary record and cooperated fully with Staff throughout the investigation and prosecution of this matter.

32. Andrei has accepted full responsibility for his conduct and is remorseful. He has extremely limited resources, no assets in his name and is currently unemployed.

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

33. By purchasing securities of the Reporting Issuers while possessed with knowledge of undisclosed material information respecting the Reporting Issuers while in a special relationship with the Reporting Issuers, Andrei engaged in insider trading contrary to subsection 76(1) of the Act. By conveying the knowledge that Company "B" and Company "C" were about to be acquired, Andrei tipped Fernando contrary to subsection 76(2) of the Act. By engaging in insider trading and tipping, Andrei acted contrary to the public interest.

PART V – TERMS OF SETTLEMENT

34. The Respondent agrees to the terms of settlement listed below.

35. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act (the "Order") that:

(a) the Settlement Agreement is approved;

(b) trading in any securities by the Respondent shall cease for seven years;

(c) the acquisition of any securities by the Respondent is prohibited for seven years;

(d) any exemptions contained in Ontario securities law do not apply to the Respondent for seven years;

(e) the Respondent is reprimanded;

(f) the Respondent resign any position he holds as a director or as an officer of any issuer;

(g) the Respondent is prohibited from becoming or acting as a director or as an officer of any issuer for seven years;

(h) the Respondent resign any position he holds as a director or as an officer of a registrant;

(i) the Respondent is prohibited from becoming or acting as a director or as an officer of a registrant for seven years;

(j) the Respondent resign any position he holds as a director or as an officer of an investment fund manager;

(k) the Respondent is prohibited from becoming or acting as a director or as an officer of an investment fund manager for seven years;

(l) the Respondent is prohibited from becoming or acting as a registrant, investment fund manager or promoter for seven years;

(m) the Respondent pay an administrative penalty of $20,000 which amount is designated for allocation or use by the Commission in accordance with paragraphs b(i) or (ii) of subsection 3.4(2) of the Act;

(n) the Respondent disgorge to the Commission the amount of $200,375 which amount is designated for allocation or use by the Commission in accordance with paragraphs b(i) or (ii) of subsection 3.4(2) of the Act;

(o) the Respondent pay the costs of the Commission's investigation in the amount of $8,500;

(p) after the balance of the payments set out in sub-paragraphs (m), (n), and (o) above, is made in full, as an exception to the provisions of sub-paragraphs (b), (c), and (d) above, Andrei is permitted to trade or acquire mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) of which Andrei has sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom Andrei must give a copy of the Order at the time he opens or modifies these accounts; and

(q) with respect to the monetary orders made in sub-paragraphs (m), (n), and (o) above, the Respondent shall pay in full the entire amounts ordered in such sub-paragraphs within three years of the making of the Order.

36. The Respondent undertakes to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 35(b) to (d) and (f) to (l) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

37. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 38 below.

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

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

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

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

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

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

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

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

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

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

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

45. Both parties will keep the terms of this Settlement Agreement confidential until the Commission approves this Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve this Settlement Agreement, both parties must continue to keep the terms of this Settlement Agreement confidential, unless they agree in writing not to do so or are required by law to disclose the terms.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

46. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

47. A fax copy of any signature will be treated as an original signature.

Dated this "31st" day of May, 2016

"Andrei Miguel Postrado"
Andrei Miguel Postrado

"Clarke Tedesco"
Witness

Dated this 2nd day of June, 2016

"James Sinclair"
Director
Enforcement Branch

Schedule "A"

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

AND

IN THE MATTER OF
ANDREI MIGUEL POSTRADO

ORDER
(Pursuant to subsection 127(1) and section 127.1 of the Securities Act and Rule 12 of the Commission's Rules of Procedure)

WHEREAS:

1. On X, 2016, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") and Staff of the Commission ("Staff") filed a Statement of Allegations dated X, 2016 (the "Statement of Allegations") in respect of Andrei Miguel Postrado (the "Respondent");

2. The Respondent and Staff entered into a Settlement Agreement dated May, 2016 (the "Settlement Agreement") in which they agreed to a settlement in relation to the matters set out in the Notice of Hearing and the Statement of Allegations subject to the approval of the Commission;

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

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to subsection 127(1)2 of the Act, trading in any securities by the Respondent shall cease for seven years;

(c) pursuant to subsection 127(1)2.1 of the Act, the acquisition of any securities by the Respondent is prohibited for seven years;

(d) pursuant to subsection 127(1)3 of the Act, any exemptions contained in Ontario securities law do not apply to the Respondent for seven years;

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

(f) pursuant to subsection 127(1)7 of the Act, the Respondent resign any position he holds as a director or as an officer of any issuer;

(g) pursuant to subsection 127(1)8 of the Act, the Respondent is prohibited from becoming or acting as a director or as an officer of any issuer for seven years;

(h) pursuant to subsection 127(1)8.1 of the Act, the Respondent resign any position he holds as a director or as an officer of a registrant;

(i) pursuant to subsection 127(1)8.2 of the Act, the Respondent is prohibited from becoming or acting as a director or as an officer of a registrant for seven years;

(j) pursuant to subsection 127(1)8.3 of the Act, the Respondent resign any position he holds as a director or as an officer of an investment fund manager;

(k) pursuant to subsection 127(1)8.4 of the Act, the Respondent is prohibited from becoming or acting as a director or as an officer of an investment fund manager for seven years;

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

(m) pursuant to subsection 127(1)9 of the Act, the Respondent pay an administrative penalty of $20,000, which amount is designated for allocation or use by the Commission in accordance with paragraphs b(i) or (ii) of subsection 3.4(2) of the Act;

(n) pursuant to subsection 127(1)10 of the Act, the Respondent disgorge to the Commission the amount of $200,375, which amount is designated for allocation or use by the Commission in accordance with paragraphs b(i) or (ii) of subsection 3.4(2) of the Act;

(o) pursuant to subsection 127.1(1) of the Act, the Respondent pay the costs of the Commission's investigation in the amount of $8,500;

(p) after the balance of the payments set out in sub-paragraphs (m), (n), and (o) above, is made in full, as an exception to the provisions of sub-paragraphs (b), (c), and (d) above, Andrei is permitted to trade or acquire mutual fund, exchange-traded fund or index fund securities for the account of any registered retirement savings plans, tax-free savings accounts and self-directed retirement savings plans (as defined in the *Income Tax Act* (Canada)) of which Andrei has sole legal and beneficial ownership, and such trading is carried out through a registered dealer in Canada to whom Andrei must give a copy of this Order at the time he opens or modifies these accounts; and

(q) with respect to the monetary orders made in sub-paragraphs (m), (n), and (o) above, the Respondent shall pay in full the entire amounts ordered in such sub-paragraphs within three years of the making of this Order.

DATED at Toronto this day of June, 2016.

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Paul Christopher Darrigo – ss. 8, 21.7

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

AND

IN THE MATTER OF
A REQUEST FOR A HEARING AND REVIEW OF
A DECISION OF A HEARING PANEL OF
THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

AND

IN THE MATTER OF
PAUL CHRISTOPHER DARRIGO

REASONS AND DECISION
(Sections 8 and 21.7 of the Securities Act)

Hearing:	May 11, 2016		
Decision:	June 9, 2016		
Panel:	Alan J. Lenczner, Q.C.	–	Commissioner and Chair of the Panel
Appearances:	Albert Pelletier	–	For Staff, Ontario Securities Commission
	Paul C. Darrigo	–	For himself, self-represented
	Robert DelFrate	–	For the Investment Industry Regulatory Organization of Canada

REASONS AND DECISION

I. OVERVIEW

[1] Paul Darrigo was a registered investment representative and regulated by the Investment Industry Regulatory Organization of Canada ("**IIROC**"). He applies for a hearing and review by the Ontario Securities Commission of a liability decision and a penalty decision of IIROC's Ontario District Hearing Panel.[1] After denying an adjournment requested by Darrigo at the liability hearing, IIROC found that: 1) transactions recommended by Darrigo caused unnecessary fees to clients and undue commissions to Darrigo; and 2) Darrigo's borrowing of funds from clients constituted conduct unbecoming. IIROC penalized Darrigo with a 12 month period of strict supervision upon any reregistration and a global total of $115,000, broken down by count as follows: 1) disgorgement of commissions of $50,000 and a fine of $10,000; and 2) disgorgement of the loan proceeds of $45,000 and a fine of $10,000.

II. ISSUES

[2] In this Application, the Commission must consider the appropriate standard of review and address the following issues:

a. Was the denial of Darrigo's requested adjournment a denial of procedural fairness justifying Commission intervention in IIROC's decisions?

[1] *Re Darrigo*, 2014 IIROC 48 and 2015 IIROC 03.

b. Does the Application satisfy any of the grounds upon which the Commission may intervene in IIROC's (i) decision on liability; or (ii) penalty decision? Specifically:

1. Did Darrigo's recommended transactions cause unnecessary fees to clients and undue commissions to Darrigo, outside the bounds of good business practice?

2. Did Darrigo's borrowing from clients constitute conduct unbecoming?

3. If Darrigo engaged in misconduct, were the penalties proportionate to his misconduct?

[3] Darrigo raised another issue in his submissions making allegations against his former dealer member employer, including failures in its supervision of him, compliance obligations during the transactions at issue and questionable motivations in the employer's conduct after his dismissal. Those allegations are irrelevant for the purposes of this Application and do not raise any issues for consideration by the Commission.

III. STANDARD OF REVIEW

[4] In an application for hearing and review of an IIROC decision, the Commission exercises original jurisdiction akin to a trial *de novo* (i.e., a new trial or retrial). A hearing and review is broader in scope than an appeal; the Commission may also substitute its own decision for that of IIROC.[2] There are, however, only limited circumstances where the Commission will intervene to reverse an IIROC decision. Those are:[3]

a. the IIROC Panel proceeded on an incorrect principle;

b. the IIROC Panel erred in law;

c. the IIROC Panel overlooked material evidence;

d. new and compelling evidence is presented to the Commission that was not before the IIROC Panel; or

e. the IIROC Panel's perception of the public interest conflicts with that of the Commission.

[5] The Commission recognizes IIROC's specialized knowledge and gives deference to IIROC decisions within its area of expertise, including factual determinations and the interpretation and application of IIROC Dealer Member Rules.[4]

IV. ANALYSIS

A. Was the denial of the requested adjournment a denial of procedural fairness justifying Commission intervention?

[6] Darrigo contends that the Panel's wrongful denial of his last requested adjournment caused procedural unfairness. At the commencement of the IIROC liability hearing in September 2014, after several previous adjournments, Darrigo appeared and a brief adjournment was allowed for settlement discussions. The next day, after settlement discussions were unsuccessful, the liability hearing reconvened and Darrigo requested a further adjournment due to his medical condition, including depression and anxiety, though he provided no new medical evidence in support of his request. After hearing submissions from both parties on the issue, the Panel ruled that no further adjournment would be granted and that the hearing would proceed on the merits. The Panel advised Darrigo that he was entitled to participate, but Darrigo left the hearing, which proceeded in his absence.

Darrigo's previous pattern of adjournment requests

[7] Darrigo's September 2014 adjournment request was one of many adjournments he requested during the IIROC proceedings, the procedural history of which is fully detailed in the IIROC liability decision. IIROC commenced the disciplinary proceeding against Darrigo in September 2012 and Darrigo, through his then counsel, delivered a written response in February 2013. However, the merits of the IIROC proceeding were not heard until over two years after commencement. In large part, this was due to a pattern of Darrigo making last-minute requests for adjournments:

a. In October 2013, the Panel adjourned the hearing after receiving a letter from Darrigo's family doctor stating that a postponement would be advisable due to Darrigo's anxiety. The letter, which was provided immediately prior to the hearing, indicated that Darrigo would be reassessed in November 2013;

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2 *Re McQuillan* (2014), 37 OSCB 8580 at paras 39-40.

3 *Ibid*, at paras 41-42 citing *Re Canada Malting Co.* (1986), 9 OSCB 3565; See also *Re Kasman* (2009), 32 OSCB 5729 at paras 43-48.

4 *Re Northern Securities Inc* (2014), 37 OSCB 161 at paras 54-61.

b. In November 2013, the Panel adjourned the hearing again to accommodate Darrigo, after receiving another letter from Darrigo's same family doctor, which stated that significant improvement of his condition was anticipated by January 2014. The family doctor also indicated that Darrigo had been advised to get psychotherapy and would be reassessed in January 2014;

c. In January 2014, Darrigo's counsel advised IIROC that Darrigo had been seeing a specialist and that a specialist's medical note was expected later that month. No such note was ever delivered;

d. After confirmation of a February 2014 hearing date, Darrigo's counsel provided a letter from Darrigo's same family doctor (i.e. not a specialist), stating that Darrigo had not shown enough improvement to participate in the hearing, and that he had again been referred to a psychologist and a psychiatrist. At the February 2014 hearing, where Darrigo was represented by counsel, the Panel ordered that a hearing would be scheduled for April 2014 to determine whether Darrigo was ready to proceed. If not, Darrigo was ordered to produce a report of a psychologist or psychiatrist stating that he was not fit to participate in the hearing. The Panel also ordered that, if the hearing was to proceed, it would take place in June 2014;

e. The April 2014 hearing was adjourned to June 2014. In June 2014, Darrigo attended before IIROC in person, but failed to provide the required medical report. Instead, Darrigo indicated he had met with a nursing specialist and was scheduled to see his family doctor in July 2014. The Panel reasserted the requirement for additional medical evidence and adjourned the hearing until September 2014 on a peremptory basis (i.e. the adjournment was granted on the basis that it would be the final adjournment);

f. In August 2014, Darrigo emailed a further adjournment request to IIROC Staff, stating that he was physically unable to attend a hearing in his condition and could not commit to any future hearing date. He indicated that he had an appointment with a psychologist scheduled for October 2014. The Panel determined that Darrigo's adjournment request would be addressed at the scheduled hearing in September 2014. IIROC also told Darrigo that the Panel would require medical evidence of Darrigo's condition.

Was the adjournment denial a failure of natural justice?

[8] Darrigo bore the onus to establish a proper evidentiary record for his adjournment request and he failed to do so, though his health had been at issue for many months and despite previous warnings from the Panel. From at least February 2014 until the liability hearing in September 2014, Darrigo knew that IIROC required substantiation of his medical claims in the form of a formal report from a medical specialist. Before the Commission, Darrigo argued that he was experiencing delays in the public health care system, which were out of his control, and that his impecuniosity prevented him from obtaining additional medical evidence through the private health care system. Throughout all previous adjournment requests prior to the liability hearing, the only medical evidence before the Panel was three letters from Darrigo's family doctor indicating in general terms that he was suffering from anxiety and stress that prevented participation in the hearings. There were no letters or reports from specialists, despite indications that such specialists were being engaged and despite Panel requests for such evidence. Nor was there any proof of a course of treatment from a specialist. There was also no new medical evidence presented at the hearing of the Application before the Commission.

[9] IIROC recognized that it had to balance 1) the public interests in a timely hearing with 2) Darrigo's interests in knowing the case against him and having an opportunity to answer it. In balancing these considerations, the Panel noted that almost four years had passed since the alleged misconduct and two of IIROC's proposed witnesses were elderly. Meanwhile, there was no resolution in sight for Darrigo's alleged medical issues. In these circumstances, the Panel proceeded to hear the merits and did not err in denying Darrigo's further requested adjournment. The hearing could not be delayed indefinitely.

[10] Given Darrigo's non-attendance after his further adjournment was denied, the Panel was entitled to accept as proven the facts and allegations in the Notice of Hearing, according to the *IIROC Rules of Practice and Procedure*. Nonetheless, the Panel proceeded to hear the merits in a full and thorough evidentiary hearing conducted over three days. The Panel took considerable efforts to balance the interests affected by its proceedings. The Panel questioned IIROC Staff and the witnesses, including the IIROC Investigator and client investors, in order to ensure that Darrigo's position was protected to the extent possible. To that end, the Panel had the benefit of Darrigo's written pleading (which was prepared by his former counsel) and the transcript of Darrigo's interview during IIROC's investigation. A robust evidentiary record was available to the Panel despite Darrigo's absence during the liability hearing. Darrigo subsequently made both oral and written submissions at the penalty hearing, raising several of the arguments that he raises again before the Commission in this Application.

[11] The Commission finds that IIROC's liability hearing was consistent with the interests of natural justice, with no denial of procedural fairness. IIROC balanced the appropriate factors in determining whether the additional adjournment should be granted. The decision to deny the further adjournment reflected a judicious exercise of the Panel's discretion. It was not an error of law and the Panel did not proceed on an incorrect principle. There is no basis of procedural unfairness to support an intervention by the Commission.

B. Does the Application satisfy any of the grounds upon which the Commission may intervene in IIROC's Decisions?

[12] In its liability decision, IIROC found liability on two counts:

> Count 1: transactions recommended by Darrigo caused unnecessary fees to clients and undue commissions to Darrigo, outside the bounds of good business practice, breaching IIROC Dealer Member Rule 1300.1(o); and
>
> Count 2: Darrigo's borrowing from clients constituted conduct unbecoming, contrary to IIROC Dealer Member Rule 29.1.

[13] In this Application, Darrigo seeks Commission interference with the liability findings on both counts.

Were Darrigo's recommended transactions outside the bounds of good business practice?

[14] On count 1, IIROC found that Darrigo engaged in misconduct contrary to IIROC Rule 1300.1(o), which provides: "Each Dealer Member shall use due diligence to ensure that the acceptance of any order for any account is within the bounds of good business practice." Specifically, IIROC found that Darrigo conducted transactions in a manner that was to the clients' detriment from the standpoint of the deferred sales charge (DSC) fees paid and to Darrigo's own benefit in terms of commissions earned. Darrigo recommended the redemption of mutual funds that resulted in DSC fees, though some of those mutual funds had only been purchased a short time prior to redemption. In a number of instances, Darrigo then used the redemption proceeds to purchase similar mutual funds and, in some cases, funds consisting of the same underlying funds that had just been sold. IIROC found that, as a result of Darrigo's recommended transactions, "unnecessary" DSC fees were incurred by the clients and "undue" commissions were earned by Darrigo.

[15] Darrigo contends before the Commission that each impugned transaction was discussed with clients and authorization was granted. He says the DSC fees incurred were discussed with clients for every recommended transaction. The Panel considered this same argument after hearing *viva voce* testimony from several investors who said they were not aware of significant DSC fees. One investor testified that he did not realize DSC fees were involved and would not have approved transactions had he known. Another investor testified that he specifically instructed Darrigo not to undertake any transactions that would incur DSC fees. While Darrigo argued before the Commission that the IIROC investigation improperly misled and influenced client interviewees, resulting in confused and false client testimony before IIROC, it was within the Panel's discretion to weigh the investors' evidence on this issue and assess their credibility. The Panel reviewed Darrigo's investigation transcript on this very issue, questioned the investor witnesses, and applied its significant industry expertise, ultimately determining that, if Darrigo discussed DSC fees with clients, he did so only in a general way. With respect to each transaction, the Panel found that the clients did not know of or consent to paying DSC fees. There is no basis for the Commission to interfere with this finding.

[16] Before the Commission, Darrigo also argued that IIROC overlooked material evidence by not considering the overall performance of the client portfolios. He states that the client portfolios did not sustain losses, despite allegedly misleading figures submitted to the Panel by IIROC Staff. However, IIROC acknowledged this argument in the liability decision, which reflected that it was not the overall result achieved in the client accounts, but the process involved that was inappropriate. IIROC found that alternative means of accomplishing the same, or substantially the same, transactions would have been better for the clients from the standpoint of fees paid and would have achieved the same investment results. There is no basis for the Commission to find that the Panel overlooked material evidence about account performance in its findings on liability.

[17] Darrigo also submitted that the reasons for the impugned transactions were difficulties in the particularly unpredictable markets and that the transactions were ultimately in the best interests of clients, not for his own personal gain in commissions. Again, IIROC's liability decision recognized that using DSC-based mutual funds may be a legitimate investment choice in certain circumstances, but concluded that the repetitive and excessive use of DSC funds and the inappropriate investment choices recommended by Darrigo amounted to a breach of his obligations to his clients. These findings are within IIROC's expertise, which the Commission finds was applied appropriately. There is no basis for the Commission to interfere with IIROC's liability finding on count 1.

Did Darrigo's borrowing from clients constitute conduct unbecoming?

[18] On count 2, IIROC found that Darrigo engaged in unbecoming conduct contrary to IIROC Rule 29.1 by borrowing from clients between October and December 2010. In two cases, Darrigo borrowed money from investors, allegedly for a short period of time, because he was in financial difficulties with his own dealer member firm and also to bridge the financing for the sale of his personal home.

[19] IIROC Rule 29.1 requires the observance of high standards of conduct and prohibits any business conduct that is unbecoming or detrimental to the public interest. At the time of the loans, it provided:[5]

> Dealer Members and each partner, Director, Officer, Supervisor, Registered Representative, Investment Representative and employee of a Dealer Member (i) shall observe high standards of ethics and conduct in the transaction of their business, (ii) **shall not engage in any business conduct or practice which is unbecoming or detrimental to the public interest,** and (iii) shall be of such character and business repute and have such experience and training as is consistent with the standards described in clauses (i) and (ii) or as may be prescribed by the Board. (emphasis added)

[20] Darrigo admitted borrowing funds from clients in his interview during the IIROC investigation, in his written pleading and again at the penalty hearing. He also admitted that he did not disclose to or seek approval from the dealer member prior to borrowing the funds. However, at the penalty hearing, Darrigo told the Panel that he thought borrowing from clients was allowed because it was not prohibited by a specific IIROC Rule, which rules he claims to have purposely reviewed before borrowing the funds. The Panel rejected the argument, noting that client borrowing is dealt with in the Conduct and Practices Handbook (the "**Handbook**"), as well as in prior cases published on the IIROC website.

[21] The Handbook sets standards of conduct. In 2010, the time of the loans, the Handbook provided the following standard of conduct relating to personal financial dealings with clients:

> Registrants should avoid personal financial dealings with clients, including the lending of money to or the borrowing of money from them. … Any personal financial or business dealings with any clients must be conducted in such a way as to avoid any real or perceived conflict of interest and must be disclosed in order that the situation be monitored.

[22] The Handbook also set out procedures for compliance for personal financial dealings with clients, including: "Any proposed financial relationship with a client should be reviewed with an appropriate official, such as the head of compliance, who must give approval to the relationship and monitor the situation."

[23] The Handbook's stated purpose for this standard of conduct is to prevent the creation of conflicts of interest that may arise when a registrant enters into financial dealings with clients. Borrowing from clients can create fundamental conflicts of interest in that the investment advisor is both a borrower from, and an advisor to, the clients. In such transactions, investment advisers may take advantage of their knowledge of clients' financial circumstances, gained through their professional relationships with the clients, thereby using their professional relationships for their own personal benefit. By borrowing funds, investment advisers also prevent clients from taking advantage of any superior investment opportunities that might arise.

[24] The Handbook clarifies that there is not an absolute prohibition against borrowing because there may be some circumstances where such dealings are not objectionable (i.e. where there is a close, pre-existing relationship, or family relationship between the registrant and client, such dealings may not be objectionable, depending on the circumstances). But the Handbook is also clear that any such dealing should not be entered into without the knowledge and approval of the dealer member, to ensure that client interests are fully protected. Further, IIROC panels have a history of finding that borrowing from clients without the knowledge or consent of the dealer member constitutes conduct unbecoming, contrary to IIROC Rule 29.1.[6]

[25] Before the Commission, Darrigo argued once again that there should be no liability for borrowing from clients in light of the absence of an express IIROC Rule. The Commission agrees that there was no clear IIROC Rule against borrowing from clients at the time of the loans in question, and even the Handbook's standard was not an absolute prohibition, rather only a caution and a disclosure requirement. But Darrigo was an 18-year veteran of the investment industry who was borrowing money from clients due to his own personal, difficult financial circumstances.[7] Part of the explanation why Darrigo did not clear these borrowings with his employer is that he was, in one instance, borrowing money to pay amounts owed to his employer. Darrigo counselled clients to redeem dealer member investments (held with his employer) in order to obtain the loan funds. He obtained loans from clients without his employer's knowledge or consent and, as set out in the Handbook, the loans were an apparent conflict of interest. Darrigo never repaid the loans. He ought to have known that his conduct was not appropriate, even in the absence of an express IIROC Rule.

[26] The Commission does not find that IIROC proceeded on an incorrect principle or erred in law in its finding that Darrigo engaged in unbecoming business conduct. The Panel was acting within its area of expertise to interpret and apply IIROC Rule

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5 The language of IIROC Rule 29.1 remained the same throughout the relevant time. However, amendments took effect in December 2013, introducing a new Rule 43, which specifically addresses personal financial dealings with clients.

6 At the liability hearing, IIROC was referred to *Re Evans*, [2007] I.D.A.C.D No. 53, *Re Dass*, 2009 IIROC 22 and *Re Hackett*, 2010 IIROC 5.

7 IIROC found that Darrigo had been experiencing financial difficulties prior to the transactions in question and several cheques he had written to his employer had been returned "non-sufficient funds".

29.1 to establish appropriate standards of conduct for its own industry. There is no basis for the Commission to interfere with the resulting liability finding on count 2.

Were the penalties proportionate?

[27] Finally, the Commission must consider Darrigo's request for a reduction of IIROC's imposed penalties. IIROC penalized Darrigo with a 12 month period of strict supervision upon any reregistration and a global total of $115,000, broken down by count:

Count 1: disgorgement of commissions of $50,000 and a fine of $10,000; and

Count 2: disgorgement of the loan proceeds of $45,000 and a fine of $10,000.

[28] In coming to its decision on the appropriate penalty for count 1, the Panel took into account as a mitigating factor that some of the investment recommendations may have been legitimate and appropriate investment decisions, as argued by Darrigo at the penalty hearing. Notably, IIROC Staff's requested commission disgorgement of $69,170 was reduced by the Panel to $50,000. Though Darrigo alleged that the Panel improperly accepted IIROC Staff misrepresentations of the actual commissions earned, the Panel heard Darrigo's argument on this issue at the penalty hearing and there is no basis to find that IIROC overlooked material evidence in calculating this penalty.

[29] In Darrigo's case, IIROC ordered minimal penalties, relative to those set out in the IIROC *Dealer Member Disciplinary Sanction Guidelines* (the "**Guidelines**"), which the Panel considered expressly. While the Guidelines were not binding on the Panel, they offer a touchstone to assess an appropriate penalty.[8]

[30] For breaches of Rule 1300.1(o), as in count 1, the Panel found the Guidelines on penalties for actions commonly known as "churning" to be instructive. In those cases, the Guidelines recommend a minimum fine of $20,000, disgorgement of profits, a rewrite of the Handbook, a minimum of 12 months close or strict supervision and a period of suspension in egregious cases.

[31] The Guidelines also address undisclosed personal business with clients contrary to Rule 29.1, as in count 2, expressly including the breach of borrowing from a client without firm knowledge or consent. For such breaches, the Guidelines recommend sanctions including a minimum fine of $10,000, disgorgement of commissions earned as a result of impugned transactions, and a period of close supervision for 12 to 24 months, along with other penalties.

[32] Penalties imposed on Darrigo by IIROC were proportionate, made in accordance with the Guidelines, and not based on an error of law. The Panel did not proceed on an incorrect principle. There is no basis for the Commission to intervene in IIROC's penalty decision.

V. ORDER

[33] None of the circumstances permitting Commission intervention in an IIROC decision apply to the facts of this case. The Application for hearing and review is hereby dismissed.

DATED at Toronto this 9th day of June, 2016.

"Alan J. Lenczner"

[8] *Re Gareau*, [2005] IDACD No 25 at para 52.

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

THERE IS NOTHING TO REPORT THIS WEEK.

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
MBAC Fertilizer Corp.	20 May 2016	07 June 2016
Panda Capital Inc.	03 June 2016	09 June 2016
Pounder Venture Capital Corp.	05 May 2016	07 June 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
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015	08 June 2016	
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015	08 June 2016	
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015	08 June 2016	
Valeant Pharmaceuticals International, Inc.	17 May 2016	30 May 2016	30 May 2016	08 June 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		
Enerdynamic Hybrid Technologies Corp.	4 November 2015	16 November 2015	16 November 2015	08 June 2016	
Enerdynamic Hybrid Technologies Corp.	22 October 2015	4 November 2015	4 November 2015	08 June 2016	
Enerdynamic Hybrid Technologies Corp.	15 October 2015	28 October 2015	28 October 2015	08 June 2016	

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
GeneNews Limited	31 March 2016	13 April 2016	13 April 2016		
Matica Enterprises Inc.	17 May 2016	30 May 2016	30 May 2016		
Northern Power Systems Corp.	31 March 2016	13 April 2016	13 April 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	30 May 2016	08 June 2016	

Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Caldwell Balanced Fund
Caldwell Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 9, 2016
NP 11-202 Preliminary Receipt dated June 10, 2016
Offering Price and Description:
Series I and M Units
Underwriter(s) or Distributor(s):
Caldwell Securities Ltd.
Caldwell Securities Ltd.
Promoter(s):
-
Project #2496950

Issuer Name:
Eguana Technologies Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 8, 2016
NP 11-202 Preliminary Receipt dated June 9, 2016
Offering Price and Description:
$6,000,000.00 (27,272,728.00 Common Shares)
Price: $0.22 per Common Share
Underwriter(s) or Distributor(s):
Mackie Research Capital Corporation
Promoter(s):
-
Project #2496424

Issuer Name:
Goldcorp Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated June 7, 2016
NP 11-202 Preliminary Receipt dated June 7, 2016
Offering Price and Description:
US$3,000,000,000.00
Common Shares
Debt Securities
Subscription Receipts
Units
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2495889

Issuer Name:
Manulife Dollar-Cost Averaging Fund
Manulife International Equity Private Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 9, 2016
NP 11-202 Preliminary Receipt dated June 9, 2016
Offering Price and Description:
Advisor Series, Series C, CT6, F, FT6, L, LT6 and T6 Securities
Underwriter(s) or Distributor(s):
Manulife Asset Management Investments Inc.
Manulife Asset Management Investments Inc.
Manulife AssetManagement Investments Inc.
Promoter(s):
Manulife Asset Management Limited
Project #2496519

Issuer Name:
MCAP Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 10, 2016
NP 11-202 Preliminary Receipt dated June 10, 2016
Offering Price and Description:
$275 million *-* Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2488767

Issuer Name:
National Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Shelf Prospectus dated June 9, 2016
NP 11-202 Preliminary Receipt dated June 9, 2016
Offering Price and Description:
Can$3,500,000,000.00 - Medium Term Notes - Debt Securities (Unsubordinated Indebtedness)
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
Manulife Securities Incorporated
RBC Dominion Securities Inc.
Richardson GMP Limited
Promoter(s):
-
Project #2496647

Issuer Name:
Nemaska Lithium Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 9, 2016
NP 11-202 Preliminary Receipt dated June 10, 2016
Offering Price and Description:
Maximum Offering: $* (the "Maximum Offering") - A maximum of * Common Shares
Minimum Offering: $50,000,000.00 ("the Minimum Offering") - A minimum of * Common Shares
Price $* per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Ltd.
Cormark Securities Inc.
CIBC World Markets Inc.
GMP Securities L.P.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Promoter(s):
-
Project #2496717

Issuer Name:
Oceanus Resources Corporation
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2016
NP 11-202 Preliminary Receipt dated June 7, 2016
Offering Price and Description:
C$5,000,000.00 - 21,739,130 Units
Price: C$0.23 per Unit
Underwriter(s) or Distributor(s):
Cantor Fitzgerald Canada Corporation
PI Financial Corp.
Promoter(s):
-
Project #2494570

Issuer Name:
PointClickCare Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated June 10, 2016
NP 11-202 Preliminary Receipt dated June 13, 2016
Offering Price and Description:
US$* - *Common Shares
Price: US$* per common share
Underwriter(s) or Distributor(s):
JP Morgan Securities Canada Inc.
Goldman Sachs Canada Inc.
RBC Dominion Securities Inc.
Canaccord Genuity Corp.
Promoter(s):
Michael Wessinger
Paul Rybecky
Project #2497248

Issuer Name:
Primero Mining Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 10, 2016
NP 11-202 Preliminary Receipt dated June 10, 2016
Offering Price and Description:
CDN$45,002,500.00 - 19,150,000 Units
Price: $2.35 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #2497030

Issuer Name:
Slate Office REIT
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 10, 2016
NP 11-202 Preliminary Receipt dated June 13, 2016
Offering Price and Description:
$35,569,425.00 Treasury Offering - 4,531,137 Units
$14,435,075.00 Secondary Offering - 1,838,863 Units
Price: $7.85 Per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
GMP Securities L.P.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2495741

Issuer Name:
Suncor Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2016
NP 11-202 Preliminary Receipt dated June 7, 2016
Offering Price and Description:
$*-* Common Shares
Price: $*-* per Offered Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
J.P. Morgan Securities Canada Inc.
BMO Nesbitt Burns Inc.
Citigroup Global Markets Canada Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Morgan Stanley Canada Limited
Altacorp Capital Inc.
BNP Paribas (Canada) Securities Inc.
Promoter(s):
-
Project #2495966

Issuer Name:
Suncor Energy Inc.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated June 8, 2016
NP 11-202 Preliminary Receipt dated June 8, 2016
Offering Price and Description:
$2,502,500,000.00 - 71,500,000.00 Common Shares
Price: $35.00 per Offered Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
J.P. Morgan Securities Canada Inc.
BMO Nesbitt Burns Inc.
Citigroup Global Markets Canada Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Morgan Stanley Canada Limited
Altacorp Capital Inc.
BNP Paribas (Canada) Securities Inc.
Promoter(s):
-
Project #2495966

Issuer Name:
Toro Oil & Gas Ltd. (formerly Kallisto Energy Corp.)
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 13, 2016
NP 11-202 Preliminary Receipt dated June 13, 2016
Offering Price and Description:
$* - * Units
Price: $* per Unit
Underwriter(s) or Distributor(s):
AltaCorp Capital Inc.
Promoter(s):
-
Project #2497408

Issuer Name:
Trican Well Service Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2016
NP 11-202 Preliminary Receipt dated June 7, 2016
Offering Price and Description:
$60,000,000.00 - 37,500,000 Common Shares
Price: $1.60 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
Firstenergy Capital Corp.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Altacorp Capital Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Peters & Co. Limited
Wells Fargo Securities Canada Ltd.
Promoter(s):
-
Project #2494595

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 8, 2016
NP 11-202 Receipt dated June 9, 2016
Offering Price and Description:
Preferred shares and Class A shares
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Desjardins Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
Promoter(s):
-
Project #2494343

Issuer Name:
First Trust AlphaDEX European Dividend Index ETF (CAD-Hedged)
First Trust AlphaDEX U.S. Consumer Discretionary Sector Index ETF
First Trust AlphaDEX U.S. Consumer Staples Sector Index ETF
First Trust AlphaDEX U.S. Energy Sector Index ETF
First Trust AlphaDEX U.S. Financial Sector Index ETF
First Trust AlphaDEX U.S. Health Care Sector Index ETF
First Trust AlphaDEX U.S. Industrials Sector Index ETF
First Trust AlphaDEX U.S. Materials Sector Index ETF
First Trust AlphaDEX U.S. Technology Sector Index ETF
First Trust AlphaDEX U.S. Utilities Sector Index ETF
First Trust Global Risk Managed Income Index ETF
First Trust Tactical Bond Index ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 9, 2016
NP 11-202 Receipt dated June 10, 2016
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
FT Portfolios Canada Co.
Project #2481549

Issuer Name:
ROMC Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 3, 2016
NP 11-202 Receipt dated June 7, 2016
Offering Price and Description:
SERIES A UNITS AND SERIES F UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
McLean Asset Management Ltd.
Project #2465389

Issuer Name:
Sprott Silver Bullion Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 27, 2016
NP 11-202 Receipt dated June 10, 2016
Offering Price and Description:
Series A, F and I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
SPROTT ASSET MANAGEMENT LP
Project #2470843

Issuer Name:
Summit Industrial Income REIT
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 10, 2016
NP 11-202 Receipt dated June 10, 2016
Offering Price and Description:
$30,250,000.00 - 5,000,000 Units @ at a price of $6.05 per Unit
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBCWORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
INDUSTRIAL ALLIANCE SECURITIES INC.
Promoter(s):
-
Project #2492550

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Chi-X Canada ATS Limited To: Nasdaq CXC Limited	Investment Dealer	June 1, 2016
Change in Registration Category	Prime Quadrant	From: Exempt Market Dealer To: Exempt Market Dealer and Portfolio Manager	June 7, 2016
New Registration	WisdomTree Asset Management Canada, Inc.	Investment Fund Manager and Exempt Market Dealer	June 10, 2016
New Registration	Real Crowd Capital Inc.	Exempt Market Dealer	June 10, 2016
Name Change	From: Portfolio Strategies Securities Inc. To: Gravitas Securities Inc.	Investment Fund Manager and Investment Dealer	April 12, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Amendments Requiring Disclosure of Membership in IIROC – Notice of Commission Approval

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS REQUIRING DISCLOSURE OF MEMBERSHIP IN IIROC

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved IIROC's proposed amendments to Dealer Member Rules 700, 22, 29.14, and 29.28, as well as IIROC's Membership Disclosure Policy. The amendments require IIROC Dealer Members to, among other things: (a) include the IIROC Logo on client account statements; (b) distribute the IIROC official brochure to new retail clients; and (c) include a link to the IIROC AdvisorReport on the IIROC Dealer Member's homepage and on any other IIROC Dealer Member webpage that includes a profile of an IIROC-regulated investment advisor.

The amendments were re-published for public comment on November 5, 2015. Nine comment letters were received and can be found on the IIROC website. No revisions to the amendments, as set out in Notice 15-0248, were made as a result of comments received. A copy of the IIROC Notice of Approval / Implementation can be found at http://www.osc.gov.on.ca.

The amendments will be effective on **January 1, 2017**, other than the requirement relating to the inclusion of the IIROC Logo on client account statements, as set out in section 3 of the IIROC Membership Disclosure Policy, which will be effective on **July 1, 2018**.

In addition, the Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial and Consumer Services Commission of New Brunswick, the Manitoba Securities Commission, the Nova Scotia Securities Commission, the Office of the Superintendent of Securities, Service Newfoundland and Labrador, and the Prince Edward Island Office of the Superintendent of Securities Office have approved or not objected to the amendments.

13.2 Marketplaces

13.2.1 Nasdaq CXC and Nasdaq CX2 – Special Settlement Instructions – Notice of Approval

NASDAQ CXC AND NASDAQ CX2

NOTICE OF APPROVAL

SPECIAL SETTLEMENT INSTRUCTIONS

In accordance with the *Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits Thereto* (Protocol), on June 14, 2016, the Commission approved significant changes to Form 21-101F2 for Nasdaq CXC and Nasdaq CX2 to reflect the introduction on both marketplaces of the option for subscribers to enter intentional crosses with special settlement instructions.

A notice requesting feedback on the proposed changes was published to the Commission's website and in the Commission's Bulletin on April 14, 2016 at (2016), 39 OSCB 3812. No public comments were received on the proposed changes.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Tancook Investment Management Limited – 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 27, 2016

AUM Law Professional Corporation
175 Bloor Street East
Suite 303, South Tower
Toronto, ON M4W 3R8

Attention: Stacey Long

Dear Sirs/Mesdames:

Re: Tancook Investment Management Limited (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. 2016/0193

Further to your application dated April 29, 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 Tancook International Small Cap Fund, and any other future mutual fund trusts that the Applicant may establish and manage from time to time, 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 Tancook International Small Cap 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 prospectus exemptions.

Yours truly,

"Janet Leiper"
Commissioner

"Anne Marie Ryan"
Commissioner

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