

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 CSA Staff Notice 81-327 Next Steps in the CSA's Examination of Mutual Fund Fees



CSA Staff Notice 81-327 Next Steps in the CSA's Examination of Mutual Fund Fees

June 29, 2016

Purpose

In 2015, the Canadian Securities Administrators (the **CSA** or **we**) committed to communicating a policy direction on mutual fund fees by the first half of 2016.¹

After thorough examination, the CSA find that the prevailing practice of remunerating dealers and their representatives for mutual fund sales through commissions, including sales and trailing commissions, paid by investment fund managers (**embedded commissions**) raises a number of investor protection and market efficiency issues that suggest a need to consider change. We believe there is considerable scope for better aligning the interests of investment fund managers and dealers/representatives with those of the investors they serve.

Several CSA initiatives may help address some of these concerns. Already in place are disclosure enhancements under the Client Relationship Model (Phase 2) reforms and new point of sale disclosure requirements for mutual funds. The CSA are also consulting on proposals to improve the client-registrant relationship outlined in CSA Consultation Paper 33-404 *Proposals to Enhance the Obligations of Advisers, Dealers and Representatives Toward their Clients (CSA CP 33-404)*.

This Notice communicates that, while the CSA continue to evaluate and monitor these initiatives, we have decided to consult on the further option of discontinuing embedded commissions and transitioning to direct pay arrangements that:

- directly engage investors in the dealer/representative compensation process,
- deliver greater clarity on the services provided and their costs, and
- better align the interests of fund industry participants and investors.

Discontinuing embedded commissions would be a significant change for investors and the mutual fund industry. Therefore, before considering any rule proposals on mutual fund fees, the CSA wish to consult on the impact such a change could have on Canadian investors and market participants and on the ways in which any negative impacts could be mitigated through the design and implementation of potential transition measures. The CSA expect to issue a consultation paper in the fall of 2016.

Background

The CSA have completed the following consultations and commissioned the following research² examining investor protection and market efficiency issues that arise from embedded commissions:

- CSA Discussion Paper and Request for Comment 81-407 *Mutual Fund Fees* published on December 13, 2012;
- Roundtable consultation³ and discussion forums⁴ on mutual fund fees held in 2013;

¹ See CSA release dated October 22, 2015 available at: <https://www.securities-administrators.ca/aboutcsa.aspx?id=1386>

² The written consultations and research reports are available on the websites of the members of the CSA.

³ See transcript of Ontario Securities Commission roundtable held June 7, 2013 available at: http://www.osc.gov.on.ca/documents/en/Securities-Category8/rpt_20130607_81-407_mutual-fund-fees-roundtable.pdf

- CSA Staff Notice 81-323 *Status Report on Consultation under CSA Discussion Paper and Request for Comment 81-407 Mutual Fund Fees* published on December 19, 2013;
- *Mutual Fund Fee Research* by the Brondesbury Group published on June 11, 2015; and
- *A Dissection of Mutual Fund Fees, Flows, and Performance* by Douglas Cumming, Sofia Johan and Yelin Zhang, from the Schulich School of Business, published on October 22, 2015 and updated February 9, 2016.

After an extensive review of these inputs, in addition to many other independent studies substantiating the detrimental impact of conflicts from embedded commissions on investors and market efficiency, the CSA have determined that there is sufficient evidence to consider regulatory action on embedded commissions. However, before taking any action, and while we consider related regulatory initiatives underway, we want to consider the impact that discontinuing embedded commissions could have on the provision and accessibility of advice and on certain product providers in our market. The CSA have therefore decided to consult with stakeholders on potential measures to transition to direct pay arrangements (under which the investor would agree to and pay directly the dealer/representative's compensation) and our assessment of the potential consequences of such regulatory action on Canadian market participants and investors.

Consultation Paper

The consultation paper will build on our previous consultations and the important body of research we have considered to date. It will assess the potential quantitative and qualitative consequences of discontinuing embedded commissions on different types of market participants and different types of investors in Canada. In particular, it will:

- evaluate the extent to which the adoption of direct pay arrangements would address the investor protection and market efficiency issues that have been identified;
- provide an overview of existing tools and related regulatory initiatives underway and consider the extent to which they respond to the issues identified;
- assess the potential impact of discontinuing embedded commissions on:
 - market structure and business models, and
 - access to advice for investors;
- review the progress of similar regulatory reforms in other jurisdictions and assess how those markets are similar to or different from Canada's; and
- identify various transition options that could be employed to implement a move to direct pay arrangements.

In addition to consulting on the option of mandating a transition away from embedded commissions, the consultation paper will provide an explanation of other options considered by the CSA and the reasons why those options are no longer being considered.

We invite stakeholders to take note of this upcoming publication. The CSA will specifically be looking for submissions in response to the consultation paper that provide analysis and perspectives that

- were not raised in the prior consultations, and
- wherever possible, are founded on data or other evidence specific to the Canadian market.

The comment period for the consultation paper will run for a period of 120 days. We encourage commenters to consider the consultation paper in conjunction with proposals to improve the client-registrant relationship outlined in CSA CP 33-404, currently out for comment.

Following the publication of the consultation paper, the CSA will hold roundtables to further discuss the potential impacts of discontinuing embedded commissions in the Canadian context and possible transition options. We encourage all stakeholders to engage in this process.

⁴ The British Columbia Securities Commission and Autorité des marchés financiers held discussion forums in the summer and fall of 2013, respectively.

Questions

If you have any comments or questions, please contact any of the CSA staff listed below.

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1.1.2 LCH.Clearnet LLC – Notice of Revocation Order

LCH.Clearnet LLC

Notice of Revocation Order

On June 28, 2016, the Commission revoked an exemption order (Exemption Order) issued on April 25, 2014 to LCH.Clearnet LLC (LCH). The Exemption Order exempted LCH from the requirement to be recognized as a clearing agency pursuant to section 147 of the Securities Act.

A copy of the revocation order is published in Chapter 2 of this Bulletin.

1.5 Notices from the Office of the Secretary

1.5.1 7997698 Canada Inc., et. al.

FOR IMMEDIATE RELEASE
June 24, 2016

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

AND

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

AND

IN THE MATTER OF
A MOTION BY 1785605 ONTARIO INC., JINA LIU and
JING XIANG XIE

AND

IN THE MATTER OF
A MOTION BY FANG YONG, QIANG WU, FEI DAI, MEI
CHEN, YANG LIU, XINWEI ZHANG, SHENGPENG GE,
WENYUAN GU, ZHIXIN YIN, BING YAN, JIANCHAO
YAN, FANJIE ZHOU, PING ZHOU, WEN ZHOU, DEPING
CHEN, JIANLING LI, YIN HUI DONG and MIN ZHANG

AND

IN THE MATTER OF
A MOTION BY YANG CHEN and HUA JUN

TORONTO – Following a hearing held in the above noted matter, the Commission issued its Reasons and Decision on Motions.

A copy of the Reasons and Decision on Motions dated June 23, 2016 is available at www.osc.gov.on.ca.

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ROBERT BLAIR
ACTING SECRETARY

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1.5.2 Garth H. Drabinsky et al.

FOR IMMEDIATE RELEASE
June 28, 2016

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

AND

IN THE MATTER OF
GARTH H. DRABINSKY, MYRON I. GOTTLIEB AND
GORDON ECKSTEIN

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

1. The hearing dates scheduled for September 19, 21, 22, 26 and 29, 2016 and October 19, 2016 are vacated;
2. The hearing in this matter shall commence at 10:00 a.m. on February 22, 2017 and continue on February 23, 24, 27 and 28, 2017 and March 10, 2017, each day commencing at 10:00 a.m., or at such other time or times and on such other dates as may be ordered by the Commission;
3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on November 22, 2016 or at such other time and on such other date as may be ordered by the Commission;
4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:
 - a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;
 - b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;
 - c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

- d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;
- 5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and
- 6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

A copy of the Order dated June 27, 2016 is available at www.osc.gov.on.ca.

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1.5.3 Clifford Todd Monaghan

FOR IMMEDIATE RELEASE
June 28, 2016

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

AND

**IN THE MATTER
OF A HEARING AND REVIEW OF THE DECISION OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA REGARDING
PORTFOLIO STRATEGIES SECURITIES INC.**

AND

**IN THE MATTER OF
CLIFFORD TODD MONAGHAN**

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

1. IIROC Staff shall serve and file any supplementary affidavits by September 16, 2016;
2. cross-examinations on affidavits, if any, will be completed by October 21, 2016;
3. the Moving Parties shall file a memorandum of fact and law by November 18, 2016;
4. the Applicant shall file a memorandum of fact and law by November 29, 2016; and
5. the motion hearing shall take place on December 5, 2016 at 10:00 a.m.

A copy of the Order dated June 27, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Oando Energy Resources Inc. – s. 1(10)(a)(ii)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer in default of obligation to file interim financial statements and related MD&A and certification – outstanding securities are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions of Canada and fewer than 51 security holders in total worldwide – requested relief granted.

Applicable Legislative Provisions

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

June 28, 2016

Citation: **Re Oando Energy Resources Inc., 2016 ABASC 170**

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

AND

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

AND

IN THE MATTER OF
OANDO ENERGY RESOURCES INC.
(THE FILER)

Decision

Background

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

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the laws of the Province of British Columbia. The Filer's registered office is located in Vancouver, British Columbia and its head office is located in Calgary, Alberta.
2. The Filer is a reporting issuer in each of the Jurisdictions and upon the grant of the relief sought, it will no longer be a reporting issuer in any jurisdiction of Canada.
3. The Filer is authorized to issue an unlimited number of common shares (the **Filer Shares**), all of which are owned by Oando E&P Holdings Limited (the **Purchaser**). As at May 16, 2016, there were 796,049,213 Filer Shares outstanding. The Filer has no securities outstanding other than the Filer Shares.
4. On May 12, 2016 (the **Effective Date**), the Purchaser acquired all of the outstanding Filer Shares by way of a court approved plan of arrangement (the **Arrangement**) pursuant to Section 291 of the *Business Corporations Act* (British Columbia). The Arrangement was effected pursuant to an arrangement agreement dated as of December 22, 2015 between the Purchaser, the Filer and Oando PLC. The Arrangement was approved by the holders of the Filer Shares on February 25, 2016 and by the Supreme Court of British Columbia on February 26, 2016.
5. Under the terms of the Arrangement, the Purchaser acquired 100% of the outstanding Filer Shares, as follows:
 - (a) for cash consideration of US\$1.20 per Filer Share, all of the Filer Shares, other than those owned or controlled

respectively by M1 Petroleum Ltd., West African Investment Ltd. or Southern Star Shipping Company Inc. (collectively, the **Institutional Investors**) or Oando PLC; and

- (b) for consideration of one common share of the Purchaser for each Filer Share, all of the Filer Shares owned or controlled by each of Oando PLC and the Institutional Investors.

In addition, in connection with the Arrangement, all of the Filer's outstanding stock options and share units were accelerated and then cancelled in exchange for a cash payment. The Filer's outstanding common share purchase warrants (the **Warrants**) were terminated in accordance with the terms of the applicable warrant indenture.

6. Consequently, the Purchaser owns 100% of the outstanding Filer Shares and the Filer has no other outstanding securities.
7. As a result of the Arrangement, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide.
8. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than the obligation to file its interim financial statements, management's discussion and analysis and certification of interim filings for the interim period ended March 31, 2016 by May 16, 2016.
9. Consequently the Filer is not eligible to use the simplified procedure under Canadian Securities Administrator, Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* or to rely on BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.
10. At the close of market on May 16, 2016, following completion of the Arrangement, the Filer Shares and Warrants, previously listed on the Toronto Stock Exchange, were delisted.
11. 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.
12. The Filer has no current intention to seek financing by way of a distribution of its securities.

Decision

Each of the Decision Makers is satisfied that the decision meets the test contained 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.

"original signed by"

Denise Weeres
Manager, Legal
Corporate Finance

2.1.2 API Technologies Corp. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

June 28, 2016

API Technologies Corp.
4705 S. Apopka Vineland Road
Suite 210
Orlando, FL 32819

Dear Sirs/Mesdames:

Re: API Technologies Corp. (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

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

Jo-Anne Matear, Manager
Corporate Finance
Ontario Securities Commission

2.1.3 API Nanotronics Sub, Inc. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

June 28, 2016

API Nanotronics Sub, Inc.
360 Terry Fox Drive
Ottawa, Ontario K2K 2P5

Dear Sirs/Mesdames:

Re: API Nanotronics Sub, Inc. (the Applicant) - application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

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

Jo-Anne Matear, Manager
Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Garth H. Drabinsky et. al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
GARTH H. DRABINSKY, MYRON I. GOTTLIEB
AND GORDON ECKSTEIN

ORDER
(Sections 127 and 127.1)

WHEREAS on February 20, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing in relation to an Amended Statement of Allegations issued by Staff of the Commission (“Staff”) regarding Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein (collectively, the “Respondents”);

AND WHEREAS the Notice of Hearing stated that an initial hearing before the Commission would be held on March 19, 2013;

AND WHEREAS on March 19, 2013, the Commission convened a hearing and ordered that the matter be adjourned to a confidential pre-hearing conference on May 23, 2013;

AND WHEREAS on May 23, 2013, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for each of the Respondents attended;

AND WHEREAS counsel for Drabinsky requested that a motion be scheduled respecting certain portions of Staff’s Statement of Allegations (the “Motion”) and a date for the motion was scheduled for July 10, 2013;

AND WHEREAS on July 2, 2013, counsel for Drabinsky communicated to the Commission that he would no longer be proceeding with the Motion;

AND WHEREAS on July 3, 2013, the Commission ordered that the July 10, 2013 Motion date be vacated;

AND WHEREAS on September 8, 2014, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for each of the Respondents attended;

AND WHEREAS on September 8, 2014, the Commission ordered that:

1. A further confidential pre-hearing conference shall take place on December 2, 2014 at 3:00 p.m., or on such other date as may be ordered by the Commission;

2. A hearing shall commence on June 22, 2015 and continue on the following dates in June 2015: 23-26, 29-30, or on such other dates as may be ordered by the Commission;

3. Parties shall disclose any expert evidence according to the following schedule:

- a. Respondents shall identify any expert witness that they intend call and the subject of their testimony by March 9, 2015;
- b. Respondents shall serve any expert report(s) on Staff by April 8, 2015;
- c. Staff shall serve any expert response report(s) on the Respondents by May 8, 2015; and
- d. Respondents shall serve any expert reply report(s) on Staff by May 25, 2015;

4. Parties shall disclose witness lists and witness summaries by May 4, 2015; and

5. Parties shall serve and file hearing briefs by June 1, 2015;

AND WHEREAS on September 9, 2014, the Commission approved the settlement agreement reached between Staff and Gottlieb;

AND WHEREAS on December 2, 2014, a confidential pre-hearing conference was held, at which counsel for Staff, counsel for Drabinsky and counsel for Eckstein attended;

AND WHEREAS all parties agreed to adjourn the matter to a further confidential pre-hearing conference to be held at a later-scheduled date;

AND WHEREAS on April 7, 2015, a confidential pre-hearing conference was commenced, at which counsel for each of Staff, Drabinsky and Eckstein attended;

AND WHEREAS the confidential pre-hearing conference was continued on April 23 and May 6, 2015, and counsel for each of Staff and Drabinsky attended;

AND WHEREAS Drabinsky requested that the hearing scheduled in this matter be adjourned;

AND WHEREAS by Order dated May 22, 2015, the Commission approved the Settlement Agreement between Staff and Eckstein dated April 20, 2015;

AND WHEREAS on May 25, 2015, the Commission ordered that:

1. The hearing dates scheduled for June 22 to June 26, 2015 and June 29 to June 30, 2015 are vacated;
2. The hearing in this matter shall commence at 10:00 a.m. on January 21, 2016 and continue on January 22, January 25 to 29, 2016 and on February 19, 2016, or at such other time or times and on such other dates as may be ordered by the Commission;
3. A further confidential pre-hearing conference shall take place at 2:00 p.m. on September 24, 2015 or at such other time and on such other date as may be ordered by the Commission;
4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:
 - a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;
 - b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;
 - c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and
 - d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;
5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and
6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing;

AND WHEREAS on September 24, 2015, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for Drabinsky attended;

AND WHEREAS at the confidential pre-hearing conference held on September 24, 2015, Drabinsky requested that the hearing scheduled in this matter be adjourned to a later date;

AND WHEREAS on September 29, 2015, the Commission ordered that:

1. The hearing dates scheduled for January 21 to January 22, January 25 to 29, and February 19, 2016 are vacated;
2. The hearing in this matter shall commence at 10:00 a.m. on June 20, 2016 and continue on June 21, June 24 to June 28, 2016 and July 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;
3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on February 22, 2016 or at such other time and on such other date as may be ordered by the Commission;
4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:
 - a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;
 - b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;
 - c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and
 - d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;
5. Each of the parties shall disclose his or its initial witness lists and witness

summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

AND WHEREAS on February 22, 2016, a confidential pre-hearing conference was held, at which counsel for Staff and counsel for Drabinsky attended;

AND WHEREAS at the confidential pre-hearing conference held on February 22, 2016, Drabinsky again requested that the hearing scheduled in this matter be adjourned to a later date;

AND WHEREAS on February 22, 2016, the Commission ordered that:

1. The hearing dates scheduled for June 20, June 21, June 24 to June 28, 2016 and July 19, 2016 are vacated;
2. The hearing in this matter shall commence at 10:00 a.m. on September 19, 2016 and continue on September 21 and 22, September 26 and 29, 2016 and October 19, 2016 or at such other time or times and on such other dates as may be ordered by the Commission;
3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on June 20, 2016 or at such other time and on such other date as may be ordered by the Commission;
4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:
 - a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;
 - b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;
 - c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and

- d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;

5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and

6. Each of the parties shall serve his or its hearing brief materials by no later than 20 days prior to the commencement of the hearing.

AND WHEREAS Staff requested, on consent, that the pre-hearing conference scheduled to take place at 10:00 a.m. on June 20, 2016 be rescheduled to 11:00 a.m. on June 27, 2016;

AND WHEREAS on June 27, 2016, a confidential pre-hearing conference was held, at which Staff and counsel for Drabinsky attended;

AND WHEREAS at the confidential pre-hearing conference held on June 27, 2016, Drabinsky again requested that the hearing scheduled in this matter be adjourned to a later date;

AND WHEREAS Drabinsky continues to be subject to an interim undertaking made to the Director of Enforcement of the Commission (the "Director") providing that, pending the conclusion of the Commission proceeding, he will not apply to become a registrant or an employee of a registrant or an officer or director of a reporting issuer without the express written consent of the Director or an order of the Commission releasing him from the undertaking;

AND WHEREAS Drabinsky continues to be subject to parole terms that are in effect until September 2016 which prohibit him from owning or operating a business or being in a position of responsibility for the management of finances or investments of any other individual, charity, business or institution, among other things;

AND WHEREAS upon expiry of the parole terms to which Drabinsky remains subject until September 2016, and as a condition of the adjournment, Drabinsky agrees to the following terms until the conclusion of the Commission proceeding:

1. He will not own or operate a business; and
2. He will not be in a position that would entail the management, control or administration of finances or investments of any other individual, charity, business or institution;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

20 days prior to the commencement of the hearing.

IT IS HEREBY ORDERED that:

Dated at Toronto this 27th day of June, 2016.

Christopher Portner

1. The hearing dates scheduled for September 19, 21, 22, 26 and 29, 2016 and October 19, 2016 are vacated;
2. The hearing in this matter shall commence at 10:00 a.m. on February 22, 2017 and continue on February 23, 24, 27 and 28, 2017 and March 10, 2017, each day commencing at 10:00 a.m., or at such other time or times and on such other dates as may be ordered by the Commission;
3. A further confidential pre-hearing conference shall take place at 10:00 a.m. on November 22, 2016 or at such other time and on such other date as may be ordered by the Commission;
4. The parties shall disclose expert and/or industry practice evidence according to the following schedule:
 - a. The parties shall identify the expert and/or industry practice witnesses they intend to call and the subject matter of their testimony by no later than 105 days prior to the commencement of the hearing;
 - b. Each of the parties shall serve his or its expert report(s) on the other parties by no later than 75 days prior to the commencement of the hearing;
 - c. Each of the parties shall serve his or its response report(s) on the other parties by no later than 45 days prior to the commencement of the hearing; and
 - d. Each of the parties shall serve his or its reply report(s) on the other parties by no later than 30 days prior to the commencement of the hearing;
5. Each of the parties shall disclose his or its initial witness lists and witness summaries by no later than 60 days prior to the commencement of the hearing; and
6. Each of the parties shall serve his or its hearing brief materials by no later than

2.2.2 Clifford Todd Monaghan

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

AND

**IN THE MATTER
OF A HEARING AND REVIEW OF THE DECISION OF
THE INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA REGARDING
PORTFOLIO STRATEGIES SECURITIES INC.**

AND

**IN THE MATTER OF
CLIFFORD TODD MONAGHAN**

ORDER

WHEREAS:

1. on August 10, 2015, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 8 and 21.7 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act"), in relation to an application made by Clifford Todd Monaghan (the "Applicant") for a Hearing and Review of a Decision of the Investment Industry Regulatory Organization Of Canada ("IIROC"), which approved an *Application for Investors Holding 10% or More of an IIROC Member Firm* that was filed by Portfolio Strategies Securities Inc. ("PSSI");
 2. on August 18, 2015, the Applicant, IIROC Staff, Staff of the Commission and counsel for PSSI appeared at a confidential pre-hearing conference and made submissions;
 3. on August 18, 2015, the Commission ordered that:
 - a. the Applicant shall serve and file an amended application, if any, by August 28, 2015;
 - b. IIROC Staff, Staff of the Commission and PSSI (the "Moving Parties") shall serve and file motions, if any, including motion records and memoranda of fact and law, by September 4, 2015;
 - c. the Applicant shall serve and file a responding motion record and
- d. PSSI's cross-examination on Monaghan's affidavits, if any, shall take place on September 14, 2015; and
 - e. a motion hearing, if any, shall take place on September 16, 2015 at 11:00 a.m.
4. on September 9, 2015, the parties requested that a pre-hearing conference be held on September 16, 2015 at 10:30 a.m., via conference call, to provide the Commission with a status update;
 5. on September 10, 2015, the Commission ordered that a confidential pre-hearing conference be held on September 16, 2015 at 10:30 a.m. via conference call;
 6. on September 16, 2015, the Commission ordered that the motion hearing shall take place on January 25, 2016, and the motion hearing date of September 16, 2015 and application hearing date of October 16, 2015 be vacated;
 7. on January 7, 2016, a confidential pre-hearing conference was held at the Moving Parties' request; at which the Commission ordered that, inter alia:
 - a. the Applicant shall serve and file a responding motion record by March 8, 2016;
 - b. cross-examinations on affidavits, if any, will be completed by March 18, 2016;
 - c. the Moving Parties shall file a memorandum of fact and law by March 21, 2016;
 - d. the Applicant shall file a memorandum of fact and law by April 1, 2016;
 - e. the Moving Parties shall file a reply memorandum of fact and law, if any, by April 8, 2016; and
 - f. the motion hearing shall take place on April 15, 2016;
 8. on March 3, 2016, the parties advised the Commission of their consent to an amended timetable for the remaining steps in this matter;
- memoranda of fact and law, if any, by September 11, 2015;

9. on March 4, 2016, the Commission ordered that:
- a. the motion hearing date scheduled for April 15, 2016 is vacated and adjourned sine die; and
 - b. a confidential pre-hearing conference shall be held on June 27, 2016 at 9:30 a.m.
10. on June 27, 2016, the Applicant, IIROC Staff, Staff of the Commission and counsel for PSSI appeared at a confidential pre-hearing conference and made submissions;
11. the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

- 1. IIROC Staff shall serve and file any supplementary affidavits by September 16, 2016;
- 2. cross-examinations on affidavits, if any, will be completed by October 21, 2016;
- 3. the Moving Parties shall file a memorandum of fact and law by November 18, 2016;
- 4. the Applicant shall file a memorandum of fact and law by November 29, 2016; and
- 5. the motion hearing shall take place on December 5, 2016 at 10:00 a.m.

DATED at Toronto, this 27th day of June, 2016.

Alan Lenczner, Q.C.

2.2.3 LCH.Clearnet LLC – s. 144

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

AND

**IN THE MATTER OF
LCH.CLEARNET LLC (LCH)**

**REVOCATION ORDER
(Section 144 of the Act)**

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated April 25, 2014, exempting LCH, pursuant to section 147 of the Act, from the requirement to be recognized as a Clearing Agency under subsection 21.2(0.1) of the Act (**Exemption Order**);

AND WHEREAS LCH has notified the Commission that, due to lack of clearing volumes, LCH:

- (i) has decided to close its SwapClear US service effective June 30, 2016;
- (ii) will be an inactive registered Derivatives Clearing Organization (**DCO**) with the Commodity Futures Trading Commission (**CFTC**) from July 1, 2016 to June 30, 2017, and will become a dormant DCO from July 1, 2017.

AND WHEREAS LCH has requested to withdraw from its status as an exempt Clearing Agency as of June 30, 2016;

AND WHEREAS LCH has filed with the Commission a report on Form 24-102F *Cessation of Operations Report for Clearing Agency* under NI 24-102 *Clearing Agency Requirements*;

AND WHEREAS LCH applied for and was granted an exemption from Section 2.3(1) of NI 24-102 *Clearing Agency Requirements* regarding the 90-day notice period for filing the Form 24-102F2;

AND WHEREAS the Commission has determined that revocation of the Exemption Order would not be prejudicial to the public interest;

THE COMMISSION hereby revokes the Exemption Order pursuant to section 144 of the Act.

DATED June 28, 2016, effective June 30, 2016.

Christopher Portner

Edward P. Kerwin

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 7997698 Canada Inc. et al.

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

AND

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

AND

IN THE MATTER OF
A MOTION BY 1785605 ONTARIO INC., JINA LIU
and JING XIANG XIE

AND

IN THE MATTER OF A MOTION BY FANG YONG, QIANG WU, FEI DAI, MEI CHEN,
YANG LIU, XINWEI ZHANG, SHENGPENG GE, WENYUAN GU, ZHIXIN YIN,
BING YAN, JIANCHAO YAN, FANJIE ZHOU, PING ZHOU, WEN ZHOU,
DEPING CHEN, JIANLING LI, YIN HUI DONG and MIN ZHANG

AND

IN THE MATTER OF
A MOTION BY YANG CHEN and HUA JUN

REASONS AND DECISION ON MOTIONS

Hearing:	June 13, 2016	
Decision:	June 23, 2016	
Panel:	Alan J. Lenczner, Q.C.	– Commissioner and Chair of the Panel
Appearances:	Gavin Smyth	– For Staff of the Commission
	John Lee (a.k.a. Chin Lee)	– On his own behalf and on behalf of 7997698 Canada Inc. and World Incubation Centre
	William Genereux	– For Charles Yong, Fang Yong, Fei Dai, Qiang Wu, Mei Chen, Yang Liu, Xinwei Zhang, Shengpeng Ge, Wenyuan Gu, Zhixin Yin, Bing Yan, Jianchao Yan, Fanjie Zhou, Ping Zhou, Wen Zhou, Deping Chen, Jianling Li, Yin Hui Dong and Min Zhang
	Jay Naster	– For 1785605 Ontario Inc., Jina Liu and Jiang Xiang Xie
	Robert Calderwood	– For Dain City Developments Inc.
	Neil Searles	– For Yang Chen and Hua Jun

REASONS AND DECISION

- [1] Multiple motions were brought by separate groups of investors for orders of the Commission:
- i. revoking Freeze Directions and a Certificate of Direction issued by the Commission on November 21, 2014 to facilitate an order allocating payments to third parties, including the moving investors;
 - ii. allocating and directing the distribution of monies that the Respondents, John Lee and 7997698 Canada Inc. (“799 Inc.”), were ordered to disgorge to the Commission pursuant to a settlement approval Order issued by the Commission on April 11, 2016; and
 - iii. facilitating the sale of commercial real property partially owned by the Respondents.
- [2] The Respondents also brought a motion seeking variation of the ordered disgorgement amount and lifting of the Certificate of Direction, or alternatively, seeking the setting aside of the Settlement Agreement that was approved by the Commission’s Order on April 11, 2016.
- [3] Staff resisted the motions.
- [4] The Panel’s adjudicative jurisdiction in approving a settlement agreement ends with the issuance of a settlement approval Order, which in this case provided for the disgorgement of \$4,789,581 by the Respondents to the Commission. The Panel has no jurisdiction or authority to address restitution to individual investors.
- [5] The allocation and distribution of disgorged funds is an administrative, not adjudicative, function of the Commission. The disgorgement ordered in this case was designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the *Securities Act*, which authorizes the Commission to either i) allocate the monies to or for the benefit of third parties, or ii) use the monies for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets. This Panel does not have the administrative jurisdiction to further specify how disgorged funds shall be allocated or distributed to harmed investors.
- [6] At the settlement stage, the calculation of disgorgement amounts focuses on the monies obtained by respondents. Those calculations do not address: 1) whether all or any of the funds unlawfully received by respondents is either available or realizable, 2) the legitimate claims of individual investors, or 3) the practicalities of distributing funds to investors where, for example, addresses may be unknown. In the vast majority of situations, amounts ordered to be disgorged are not wholly realizable to allocate to harmed investors in full.
- [7] This case is different in that approximately \$3.1 million is available in frozen bank accounts of the Respondents and, in addition, there is frozen real estate owned 2/3 by the Respondents and 1/3 by a third party, Dain City Developments Inc. A sale of the real estate would make additional funds available for disgorgement to the Commission.
- [8] Paragraph 13 of the Settlement Agreement is quite instructive in that it indicates how Staff arrived at the disgorgement amount of approximately \$4.79 million. It states:
- Through 799 [Inc.] and Lee’s conduct described above [*i.e.*, unregistered trading], \$6,779,581 was paid from or on behalf of approximately fifty-six investors into bank accounts controlled by the Respondents in Ontario. A total of \$1,990,000 was repaid to or on behalf of seventeen investors from 799 [Inc.]’s bank accounts in Ontario. The difference between the funds received by the relevant Ontario bank accounts and the funds repaid is \$4,789,581.
- [9] The fifty-six investors referred to in the Settlement Agreement were individually identified in an affidavit sworn by Stephanie Collins, a Senior Forensic Accountant in the Commission’s Enforcement Branch, along with the amounts paid and repaid to those investors. Those investors are listed in Appendix A of these Reasons. The difference between amounts the fifty-six investors paid to the Respondents and the amounts repaid to or on behalf of seventeen of those investors is actually \$5,140,751. But, as Staff explained in these motions, the final disgorgement amount represents a compromise and was reduced by \$351,170 to acknowledge that the Respondents had paid more from Ontario bank accounts than had been paid into Ontario bank accounts (likely because some investors had paid funds into Chinese bank accounts but were repaid from Ontario accounts). In other words, Staff explained that the disgorgement amount was set at a level to deprive the Respondents of illegally obtained amounts, not with a view to satisfying all investor claims.
- [10] Of the identified fifty-six investors, twenty-one were represented at the hearing of these motions, along with another three claimed investors who are not listed in the Collins Affidavit (1785605 Ontario Inc., Jina Liu and Fang Yong). The investors came before the Commission requesting variation of the settlement approval Order, which ordered disgorgement to the Commission, to instead specifically direct allocation of disgorgement amounts to the moving investors.

[11] As previously stated, the Panel has no authority to grant the requested allocations. The Commission is not a court of law. It does not adjudicate civil litigation claims as between harmed investors and those who took their money. It does not make orders for restitution. In exercising its public interest mandate, the Commission's jurisdiction is regulatory (that is, protective and preventative), not compensatory or remedial.⁵ Section 127 of the Securities Act does not empower the Commission to make orders requiring a party to make compensation or restitution or to pay damages to affected individuals. Disgorgement under section 127 of the *Securities Act* is not the same as damages and is not intended to compensate individual investors.

[12] Staff argued that the appropriate mechanism to deal with these issues is to refer the matter of the revocation of the Freeze Directions and the distribution of the frozen funds to the Court, which is already involved in these matters as a result of applications brought before it. The Court continued the Freeze Directions and, along with the Commission, also has the power to revoke the Freeze Directions. Staff submitted, quite correctly, that the moving investors have no standing in restitutionary proceedings before the Commission, nor are they persons directly affected by the Commission's settlement approval Order. To apply for a revocation of a freeze direction (pursuant to subsection 126(7)), a person must be directly affected. The use of the word "directly" before "affected" connotes the legislative intent to restrict the category of persons who can move to clarify, vary or revoke a direction. When the Freeze Directions were issued, the harmed investors were not "directly affected". The Respondents were directly affected in that their bank accounts were frozen. There was no impact to the investors. If anything, they would have a better chance of receiving back their investments than if the Commission had not issued the Freeze Directions.

[13] Furthermore, subsection 127(3.1) of the *Securities Act* expressly provides that a person is not entitled to participate in a Commission proceeding involving disgorgement orders solely on the basis that the person may be entitled to receive any disgorged amount.

[14] It is therefore appropriate for me to refer the revocation of the Freeze Directions and the restitutionary process to the Commercial List of the Superior Court of Justice. In so doing, however, I wish to make the following observations:

- i. Both Staff and the Respondents have agreed to the disgorgement amount of \$4,789,581. Neither should be allowed to resile from that agreement, which has been approved by Order of this Panel. Since the settlement agreement has already been approved by Order of the Commission, there should be no room to permit either party to challenge the receipt of investor monies into the bank accounts of 799 Inc. resulting from breaches of the *Securities Act*.
- ii. Further and in any event, there appears to be no issue with respect to 35 of the investors (*i.e.*, the first 35 investors listed in Appendix A to these Reasons), whose outstanding amounts appear to total \$3,475,717, based on the calculations in the Collins Affidavit. If the addresses of these investors are known, they should receive a *pro rata* amount of the sum that is ultimately collected from the Respondents. In the interim, it may also be appropriate to make a partial distribution from the amount frozen in the Respondents' bank accounts at this time.
- iii. With respect to the balance of the investors, if the Respondents can demonstrate that those investors have been repaid the amount identified as owing in Staff's calculations, then it seems reasonable that the Respondents should not be required to disgorge that amount twice.
- iv. A parcel of land was purchased at 555 Canal Bank Street in Welland, Ontario, owned 2/3 by the Respondents and 1/3 by a non-investor, third party, Dain City Developments Inc. Since the time of the purchase, the property has been divided into 3 separate titles, known as the North, South and Middle Lands. A Certificate of Direction is registered on all three parcels. The Commission is prepared to order the lifting of the Certificate of Direction on one or more of the parcels in order to allow for a court-supervised sale. The Court should contemplate a court-supervised sale of one or more of the parcels to garner the additional funds that may be necessary to satisfy the disgorgement order. Since unpaid realty taxes are rapidly accruing, it would be in everyone's interest if a process was set in motion immediately to accomplish any necessary sale.

[15] For the foregoing Reasons, the investors' and the Respondents' motions are dismissed. Staff should forthwith apply to the Commercial List for directions as to the most effective and expedient process that should be engaged to return monies to investors from the frozen bank accounts and the frozen real estate.

Dated at Toronto this 23rd day of June, 2016.

Alan J. Lenczner, Q.C.

⁵ Fischer v IG Investment Management Ltd, 2012 ONCA 47 at para 46.

**Appendix A –
Investors Identified by Staff for Disgorgement Amount Calculations⁶**

Investor	Amount Deposited to Respondent Accounts	Amount Repaid by Respondents	Amount Outstanding
1. Hua Chen	\$0.00	\$0.00	\$0.00
2. Jun Qian Zhang	\$163,500.00	\$130,000.00	\$33,500.00
3. Yu Yize	\$168,340.00	\$140,000.00	\$28,340.00
4. Niu Yu	\$115,380.00	\$150,000.00	\$0.00
5. Zhang Lei	\$150,000.00	\$120,000.00	\$30,000.00
6. Chen XunLi	\$148,410.00	\$0.00	\$148,410.00
7. JiuHong Li	\$0.00	\$120,000.00	\$0.00
8. Weizhong Xu	\$149,907.00	\$120,000.00	\$29,907.00
9. Pang Ning	\$159,930.00	\$120,000.00	\$39,930.00
10. Peizhong Yang	\$163,418.00	\$120,000.00	\$43,418.00
11. Hongya Ni	\$163,430.00	\$120,000.00	\$43,430.00
12. Xiadan Li	\$163,371.00	\$120,000.00	\$43,371.00
13. Su Shengwen	\$99,980.00	\$120,000.00	\$0.00
14. Yuxia Zhu	\$49,970.00	\$120,000.00	\$0.00
15. Li Wenjie	\$164,980.00	\$120,000.00	\$44,980.00
16. Jian Wen Song	\$13,500.00	\$120,000.00	\$0.00
17. Hui Xu	\$160,000.00	\$120,000.00	\$40,000.00
18. Guo Hong Qi	\$160,000.00	\$120,000.00	\$40,000.00
19. Hua Jun	\$153,500.00	\$0.00	\$153,500.00
20. Yang Chen	\$163,535.00	\$0.00	\$163,535.00
21. Yin Hui Dong	\$156,390.00	\$0.00	\$156,390.00
22. Ping Zhou	\$180,073.50	\$0.00	\$180,073.50
23. Wenyuan Gu	\$170,150.00	\$0.00	\$170,150.00

⁶ The figures in the "Amount Outstanding" column for individual investors were not shown in the Collins Affidavit, but were calculated for the purposes of these Reasons as the difference between the Amount Deposited and the Amount Repaid.

Reasons: Decisions, Orders and Rulings

Investor	Amount Deposited to Respondent Accounts	Amount Repaid by Respondents	Amount Outstanding
24. Yang Liu	\$170,010.00	\$0.00	\$170,010.00
25. Fanjie Zhou	\$179,823.50	\$0.00	\$179,823.50
26. Xinwei Zhang	\$179,761.50	\$0.00	\$179,761.50
27. Mei Chen	\$180,025.00	\$0.00	\$180,025.00
28. Wen Zhou	\$179,953.50	\$0.00	\$179,953.50
29. Bing Yan	\$165,041.50	\$0.00	\$165,041.50
30. Shengpeng Ge	\$169,846.00	\$0.00	\$169,846.00
31. Jianchao Yan	\$177,723.00	\$0.00	\$177,723.00
32. Deping Chen	\$179,923.50	\$0.00	\$179,923.50
33. Qiang Wu	\$164,775.00	\$0.00	\$164,775.00
34. Zhixin Yin	\$180,000.00	\$0.00	\$180,000.00
35. Fei Dai	\$159,900.00	\$0.00	\$159,900.00
36. Charles Yong	\$199,980.00	\$0.00	\$199,980.00
37. Jiang Xiang Xie	\$880,000.00	\$0.00	\$880,000.00
38. Shu Jian Hong	\$99,095.00	\$0.00	\$99,095.00
39. He Jun Feng	\$51,085.00	\$0.00	\$51,085.00
40. Lan Xiu Qiang	\$51,085.00	\$0.00	\$51,085.00
41. Shen Gui Qin	\$51,085.00	\$0.00	\$51,085.00
42. Liu Juan	\$50,000.00	\$0.00	\$50,000.00
43. Lei MingJie	\$49,970.00	\$0.00	\$49,970.00
44. Luo Jin Suo	\$48,975.00	\$0.00	\$48,975.00
45. Shi Wen Jie	\$48,875.00	\$0.00	\$48,875.00
46. Jianling Li	\$25,016.00	\$0.00	\$25,016.00
47. Min Zhang	\$20,000.00	\$10,000.00	\$10,000.00
48. Lin Xiao Yu	\$15,000.00	\$0.00	\$15,000.00
49. AiHua Sui	\$14,976.00	\$0.00	\$14,976.00

Reasons: Decisions, Orders and Rulings

Investor	Amount Deposited to Respondent Accounts	Amount Repaid by Respondents	Amount Outstanding
50. Sun Li Tao	\$10,000.00	\$0.00	\$10,000.00
51. Yao Xiao Hung/Wu, Li	\$10,000.00	\$0.00	\$10,000.00
52. Jin Xiu Zhu	\$9,990.00	\$0.00	\$9,990.00
53. Zhang XiaoLi	\$9,986.00	\$0.00	\$9,986.00
54. Yuan Shu Feng	\$9,970.00	\$0.00	\$9,970.00
55. Zhao Ying	\$9,976.00	\$0.00	\$9,976.00
56. Wei Guo Jun	\$9,970.00	\$0.00	\$9,970.00
TOTALS	\$6,779,581.00	\$1,990,000.00	\$5,140,751.00

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 ARE NO ITEMS TO REPORT THIS WEEK.

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS TO REPORT THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Blueocean Nutrasciences Inc.	03 May 2016	16 May 2016	16 May 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		

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Chapter 6

Request for Comments

6.1.1 OSC Notice and Request for Comment – Proposed OSC Rule 72-503 – Distributions Outside of Canada and CP 72-503CP to OSC Rule 72-503 Distributions Outside of Canada

NOTICE AND REQUEST FOR COMMENT

PROPOSED OSC RULE 72-503 DISTRIBUTIONS OUTSIDE OF CANADA AND COMPANION POLICY 72-503CP TO OSC RULE 72-503 DISTRIBUTIONS OUTSIDE OF CANADA

June 30, 2016

Introduction

The jurisdictional scope of securities legislation in respect of a distribution of securities is not expressly addressed in the *Securities Act* (Ontario) (the **Act**) or the regulations.

In 1983, the Ontario Securities Commission (the **Commission**) published a note entitled “Interpretation Note 1 *Distributions of Securities Outside Ontario*”¹ (the **Interpretation Note**) in which the Commission acknowledged that an overly broad interpretation of the application of Ontario prospectus requirements could

“... seriously interfere with the capital formation process for issuers effecting financings outside Ontario where it is manifest that there is no intention that the securities distributed abroad will find their way into Ontario and where no question arises of bringing the Ontario capital markets into disrepute.”

The Interpretation Note provided guidance that, where an issuer and intermediaries take “reasonable precautions” to ensure that securities distributed out of Ontario “come to rest” with investors outside of Ontario, and there are no other circumstances that would call into question the integrity of Ontario capital markets, the Commission would take the view that a prospectus was not required under the Act, nor was an exemption from the prospectus requirements necessary.

Over time market participants and Commission staff have found the approach described in the Interpretation Note difficult to administer because of its uncertainty:

The Interpretation Note did not seek to establish bright line tests to determine when a distribution outside of Ontario also constitutes a distribution in Ontario but rather sought to provide guidance to assist issuers and selling securityholders in structuring transactions. The Interpretation Note is not securities legislation and does not grant exemptions from the prospectus and registration requirements. The principal drawback of the Interpretation is that both market participants and Commission staff have found it difficult to administer because of its uncertainty.²

In particular, staff regularly encounter the various challenges that issuers and intermediaries face in determining whether sufficient steps have been taken to reasonably conclude that securities have “come to rest” outside of Canada and will not “flow back” into Canada.

Moreover, the Interpretation Note’s approach to the application of Ontario prospectus requirements is substantially narrower than the approach taken to determining the parameters of a regulator’s jurisdiction in recent case law. In the context of enforcement cases, the Commission and Courts have sometimes concluded that the securities laws of a jurisdiction will apply to activities outside of the jurisdiction provided there is a “real and substantial connection” (or “sufficient connecting factors”) to the jurisdiction. These cases also often involve serious misconduct that may affect the reputation of the jurisdiction’s capital markets.

The Commission approach to distributions outside of the jurisdiction has evolved over time, as has case law on provincial jurisdiction over activities outside the province, such that the Interpretation Note is out of date and no longer accurately represents Commission staff practice. The purpose of the Commission’s proposals and the exemptions provided is to remove

¹ Interpretation Note 1 was published in connection with the Notice of Repeal of OSC Policy 1.5 *Distribution of Securities Outside of Ontario*, (March 25, 1983) 6 OSCB 226.

² See Notice and Request for Comment in respect of proposed Multilateral Instrument 72-101 *Distributions Outside of the Local Jurisdiction* (September 8, 2000) (2000) 23 OSCB 6260. In March 2002, the CSA published CSA Staff Notice 72-301 in relation to proposed MI 72-101 that indicated that the initiative was now being considered under the CSA Uniform Securities Legislation Project (the **USL Project**). In Ontario and certain other jurisdictions, the USL Project has been superseded by the Cooperative Capital Markets Regulatory System initiative.

uncertainty regarding the extent of the application of the prospectus and registration requirements in certain cross border transactions, irrespective of the breadth of the Commission's jurisdiction based on case law.

The Commission is proposing the withdrawal of the Interpretation Note and is publishing for comment the following as its replacement:

- Proposed Ontario Securities Commission Rule 72-503 *Distributions Outside of Canada* and (the **Proposed Rule**)
- Proposed Form 72-503F *Report of Distributions Outside of Canada* (the **Proposed Form**)
- Companion Policy 72-503CP to OSC Rule 72-503 *Distributions Outside of Canada* (the **Proposed Companion Policy**).

In developing these proposed instruments, the Commission had the benefit of feedback from members of the Commission's Securities Advisory Committee and input from numerous Ontario market participants as well as public feedback on the draft initial regulations published on August 25, 2015 by governments participating in the Cooperative Capital Markets Regulatory System initiative. These draft initial regulations included a unified approach to distributions outside of Cooperative Capital Markets Regulatory System jurisdictions under draft Regulation 71-501 *International Issuers and Securities Transactions with Persons Outside the CMR Jurisdictions* and draft Policy 71-601 *Distribution of Securities to Persons Outside of CMR Jurisdictions*. These draft instruments represented a broader approach to the application of the prospectus requirement than is Commission staff's practice today. The Commentary to the draft instruments included specific questions that were designed to solicit feedback on the impact of the proposed approach to cross-border transactions in Ontario.

In response to this feedback and input, and based on staff's historical experience with cross-border transactions, the Commission is of the view that the proposed new distributions out regime is more reflective of Commission staff's current practice and strikes an appropriate balance between investor protections and facilitating cross-border offerings by avoiding the duplicative application of Ontario requirements where offering are subject to foreign securities laws.

Substance and Purpose

The substance and purpose of the Proposed Rule, the Proposed Form, and the Proposed Companion Policy is to provide certainty to participants in cross-border transactions by providing explicit exemptions that respond to the challenges that issuers and intermediaries face in determining whether a prospectus must be filed or an exemption from the prospectus requirement must be relied on, and the effect of related dealer registration requirements, in connection with a distribution of securities to investors outside of Canada. The provision of exemptions in the Proposed Rule is not, by itself, determinative of whether Ontario securities law would otherwise apply to a distribution outside of Canada or to activities related to the distribution.

Generally, the Proposed Rule provides exemptions from the prospectus requirement in respect of a distribution of securities to a person or company outside of Canada in the following circumstances:

- if the distribution is under a public offering document in the United States of America or a designated foreign jurisdiction
- if a concurrent distribution is qualified under a final prospectus in Ontario
- if the issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the distribution, and
- all other distributions, but subject to restrictions on resale to a person or company in a jurisdiction of Canada.

The Proposed Rule also provides an exemption from the dealer and underwriter registration requirement in respect of a distribution of securities to a person or company outside of Canada on the following conditions:

- the head office or principal place of business of the person or company is in the United States of America, a designated foreign jurisdiction or Canada
- in the case of a distribution to a purchaser in the United States of America, the person or company is appropriately registered with the SEC and FINRA and complies with all applicable regulatory requirements
- in the case of a distribution to a purchaser located in a designated foreign jurisdiction, the person or company is registered in a category similar to dealer in that jurisdiction and complies with all applicable regulatory requirements
- subject to a limited exception, the person or company does not carry on business as a dealer or underwriter from an office or place of business in Ontario
- other than the issuer or selling security holder, the person or company does not trade securities to, with or on behalf of anyone in Ontario, and
- the person or company relying on the exemption is not registered as a dealer in any jurisdiction of Canada.

Request for Comments

Issuers will be required to file the Proposed Form electronically in Ontario, pursuant to OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*. Accordingly, the Proposed Form will be an e-form in Ontario, available on the Commission's Electronic Filing Portal. In developing the e-form, we will be incorporating the use of drop-down menus and other similar features wherever appropriate in order to make the e-form more "user-friendly" and easier to complete.

Authority for the Rule

The following provisions of the Act provide the Commission with authority to adopt the Proposed Rule.

Paragraph 143(1)8 authorizes the Commission to make rules prescribing any matter referred to in Part XII (Exemptions from Registration Requirements) as required by the regulations or prescribed by or in the regulations, other than the matters referred to in subsection 35.1(2).

Paragraph 143(1)20 authorizes the Commission to make rules prescribing any matter referred to in Part XVII (Exemptions from Prospectus Requirements) as required by the regulations or prescribed by or in the regulations, other than the matters referred to in subsection 73.1(3).

Paragraph 143(1)48 authorizes the Commission to specify the conditions under which any particular type of trade that would not otherwise be a distribution shall be a distribution.

Alternatives Considered

The Commission considered the options of maintaining the *status quo* under the Interpretation Note or updating the guidance in the Interpretation Note. In light of the feedback received on the Cooperative Capital Markets Regulatory System initiative, together with the ongoing issues faced by stakeholders in their attempts to apply the guidance in the Interpretation Note, the Commission has determined that an updated "distributions out" regime is required to improve the efficiency of Ontario participants' cross-border capital raising activities.

Unpublished Materials

In proposing the Proposed Rule and the Proposed Companion Policy, the Commission has not relied on any significant unpublished study, report, decision or other written materials.

Anticipated Costs and Benefits

The principal benefit of the Proposed Rule and the Proposed Companion Policy will be to provide more regulatory certainty to Ontario market participants. The Commission anticipates that this regulatory certainty will reduce overall costs for Ontario issuers seeking to raise capital outside of Ontario. The costs associated with the Proposed Rule and the Proposed Companion Policy will be

- the costs of analyzing the new exemptions and guidance provided to determine whether or not an Ontario prospectus or reliance on another prospectus exemption is required,
- the costs of complying with Ontario prospectus requirements in any circumstances that may have been previously covered by the Interpretation Note but are not covered by the Proposed Rule or Proposed Companion Policy, and
- the costs of preparing and filing the Proposed Form for outbound private placements.

In the view of the Commission, the benefits of the Proposed Rule, including the Proposed Form, and the Proposed Companion Policy outweigh the costs.

Request for Comments

The Commission welcomes your comments on the Proposed Rule (Annex A to this Notice), including the Proposed Form, and the Proposed Companion Policy (Annex B to this Notice).

How to Provide Your Comments

You must provide your comments in writing by **September 28, 2016**. If you are not sending your comments by email, you should also send an electronic file containing the submissions (in Windows format, Microsoft Word).

Please send your comments to the following address:

Request for Comments

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: comments@osc.gov.on.ca

The Commission will publish written comments received unless the Commission approves a commenter's request for confidentiality or the commenter withdraws its comment before the comment's publication.

Questions

Please refer your questions to:

Victoria Carrier
Senior Legal Counsel
General Counsel's Office
416-593-8329
vcarrier@osc.gov.on.ca

Michael Tang
Acting Manager
Corporate Finance
416-593-2330
mtang@osc.gov.on.ca

Elizabeth Topp
Senior Legal Counsel
Compliance and Registrant Regulation
416-593-2377
etopp@osc.gov.on.ca

Doug Welsh
Senior Legal Counsel
Investment Funds and Structured Products
416-593-8068
dwelsh@osc.gov.on.ca

Andre Moniz
Senior Investigation Counsel
Enforcement
416-593-2383
amoniz@osc.gov.on.ca

ANNEX A

PROPOSED ONTARIO SECURITIES COMMISSION RULE
72-503 DISTRIBUTIONS OUTSIDE OF CANADA

PART 1 DEFINITIONS

1.1 **Definitions** – In this Rule

“1933 Act” means the *Securities Act* of 1933 of the United States of America, as amended from time to time;

“distribution date” has the same meaning as in National Instrument 45-102 *Resale of Securities*;

“designated foreign jurisdiction” has the same meaning as in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*;

“FINRA” means the Financial Industry Regulatory Authority, a self-regulatory organization in the United States of America; and

“SEC” means the Securities and Exchange Commission of the United States of America.

PART 2 EXEMPTIONS FROM THE PROSPECTUS REQUIREMENT

2.1 **Distribution Under Public Offering Document in Foreign Jurisdictions** – The prospectus requirement does not apply to a distribution of securities to a person or company outside of Canada if prior to the issuance or resale of the securities,

- (a) the issuer has filed a registration statement in accordance with the 1933 Act registering the securities in connection with the distribution, and that registration statement has become effective; or
- (b) the issuer has filed a document similar to a final prospectus for which a receipt or similar acknowledgement of approval has been obtained in accordance with the securities laws of a designated foreign jurisdiction registering the securities in connection with the distribution or qualifying the securities for distribution.

2.2 **Concurrent Distribution under Final Prospectus in Ontario** – The prospectus requirement does not apply to a distribution of securities to a person or company outside of Canada if,

- (a) in connection with the distribution, the issuer of those securities or the selling securityholder has complied with the securities law requirements of the jurisdiction outside of Canada; and
- (b) prior to the issuance or resale of the securities, the issuer of those securities has filed with the Commission and a receipt has been issued for a final prospectus qualifying the concurrent distribution of such securities in Ontario in accordance with Ontario securities law.

2.3 **Distributions by Reporting Issuers** – The prospectus requirement does not apply to a distribution of securities to a person or company outside of Canada if,

- (a) in connection with the distribution, the issuer of those securities or the selling securityholder has complied with the securities law requirements of the jurisdiction outside of Canada; and
- (b) the issuer of the securities is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding such distribution.

2.4 **Other Distributions**

- (1) The prospectus requirement does not apply to a distribution of securities to a person or company outside of Canada if, in connection with the distribution, the issuer of those securities or the selling securityholder has complied with the securities law requirements of the jurisdiction outside of Canada.
- (2) The first trade of securities distributed under the exemption in subsection (1) is a distribution unless
 - (a) the trade is to a person or company outside of Canada; or

- (b) both of the following are satisfied:
 - (i) The issuer of the securities is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.
 - (ii) At least four months have elapsed from the distribution date.

PART 3 EXEMPTION FROM THE DEALER AND UNDERWRITER REGISTRATION REQUIREMENTS

3.1 Exemption from the Dealer and Underwriter Registration Requirements – The dealer registration requirement and the underwriter registration requirement do not apply to a person or company in connection with a distribution of securities to a person or company outside of Canada that is qualified by a prospectus filed in a jurisdiction of Canada or that is exempt from the prospectus requirement under Part 2 of this Rule if all of the following apply

- (a) The head office or principal place of business of the person or company is in the United States of America, a designated foreign jurisdiction or Canada;
- (b) In the case of a distribution to a purchaser located in the United States of America, the person or company is registered as a broker-dealer with the SEC, is a member in good standing of FINRA and complies with all applicable conduct and other regulatory requirements of U.S. federal and state securities law and FINRA rules in connection with the distribution;
- (c) In the case of a distribution to a purchaser located in a designated foreign jurisdiction, the person or company is registered under the securities legislation of the designated foreign jurisdiction in a category of registration that permits it to carry on the activities in that jurisdiction that registration as a dealer would permit it to carry on in Ontario, and complies with all applicable dealer registration requirements and other broker-dealer regulatory requirements of the designated foreign jurisdiction in connection with the distribution;
- (d) The person or company does not carry on business as a dealer or underwriter from an office or place of business in Ontario except in accordance with Ontario Securities Commission Rule 32-505 *Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario* or this Rule;
- (e) Other than an issuer or selling security holder involved in a distribution that is exempt from Ontario prospectus requirements under this Rule, the person or company does not trade securities to, with, or on behalf of, a person or company in Ontario, except pursuant to an exemption from registration other than the exemption provided by this section 3.1; and
- (f) The person or company is not registered in any jurisdiction of Canada in the category of dealer.

PART 4 REPORT OF DISTRIBUTION OUTSIDE CANADA

4.1 Report of Distribution outside Canada – An issuer that relies on the exemption in section 2.2, 2.3 or 2.4 must, on or before the tenth day after the distribution date, electronically file a report of trade with respect to that exempt distribution. The electronic filing must be prepared in accordance with the instructions and must include the required information set forth in Form 72-503F *Report of Distributions Outside of Canada*.

PART 5 EXEMPTION

5.1 Exemption – Only the Director may grant an exemption and only an exemption from Part 4 may be granted, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 6 EFFECTIVE DATE

6.1 Effective Date – This Rule comes into force on •.

FORM 72-503F
REPORT OF DISTRIBUTIONS OUTSIDE OF CANADA

Instructions:

1. An issuer that is required to file a report on Form 72-503F *Report of Distributions Outside of Canada* must file the report through the online e-form available at <http://www.osc.gov.on.ca>.
2. Security codes: Wherever this form requires disclosure of the type of security, use the following security codes:

Security code	Security type
BND	Bonds
CER	Certificates <i>(including pass-through certificates, trust certificates)</i>
CMS	Common shares
CVD	Convertible debentures
CVN	Convertible notes
CVP	Convertible preferred shares
DEB	Debentures
FTS	Flow-through shares
FTU	Flow-through units
LPU	Limited partnership units
NOT	Notes <i>(include all types of notes except convertible notes)</i>
OPT	Options
PRS	Preferred shares
RTS	Rights
UBS	Units of bundled securities <i>(such as a unit consisting of a common share and a warrant)</i>
UNT	Units <i>(exclude units of bundled securities, include trust units and mutual fund units)</i>
WNT	Warrants
OTH	Other securities not included above <i>(if selected, provide details of security type in Item 2)</i>

1. Full name, address and telephone number of the Issuer.

a) Full name of issuer

b) Head office address

Street address

Province/State

Municipality

Postal code/Zip code

Country

Telephone number

2. Type of security, the aggregate number or amount distributed and the aggregate purchase price.

Types of securities distributed						
<p><i>Provide the following information for all distributions of securities relying on an exemption from section 2.2, 2.3 or 2.4 of the Rule on a per security basis. Refer to Part A of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.</i></p>						
Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount

Details of rights and convertible/exchangeable securities						
<p><i>If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.</i></p>						
Security code	Underlying Security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other terms (if applicable)
		Lowest	Highest			

3. Date of distribution(s).

Distribution date					
<p><i>State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.</i></p>					
Start date			End date		
<input style="width: 100%; height: 20px;" type="text"/> YYYY MM DD			<input style="width: 100%; height: 20px;" type="text"/> YYYY MM DD		

4. **State the name and address of any person acting as dealer or underwriter (including an underwriter that is acting as agent) in connection with the distribution(s) of the securities.**

Dealer and underwriter information	
Full legal name	<input type="text"/>
Street address	<input type="text"/>
Municipality	<input type="text"/>
Province/State	<input type="text"/>
Country	<input type="text"/>
Postal code/Zip code	<input type="text"/>
Telephone number	<input type="text"/>
Website	<input type="text"/> (if applicable)

5. **Certification**

Provide the following certification and business contact information of an officer or director of the issuer. If the issuer is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may not be delegated to an agent or other individual preparing the report on behalf of the issuer.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

Certificate of Issuer

The undersigned hereby certifies that the statements made in this report are true.

DATED: _____, 20__

[Title]

**ANNEX B
PROPOSED COMPANION POLICY 72-503CP
TO OSC RULE 72-503
DISTRIBUTIONS OUTSIDE OF CANADA**

PART 1 APPLICATION AND PURPOSE

This Policy sets out how the Ontario Securities Commission (the **Commission** or the **OSC**) interprets and applies section 53 of the *Securities Act* (Ontario) (the **Act**), the provisions of OSC Rule 72-503 *Distributions of Securities Outside of Canada* (the **Rule**) and section 25 of the Act in limited circumstances.

Statement of Principle

A distribution of securities by an issuer to an investor outside of Ontario may be subject to the Act depending on the connecting factors with Ontario. The Commission takes the view that an investor outside of Canada will ordinarily expect to rely on the prospectus, registration statement or similar protections of the securities laws of the foreign jurisdiction in which the investor is located. The Commission recognizes that compliance with the prospectus requirement or conditions of a prospectus exemption under Ontario securities law may be unnecessarily duplicative of these protections and will generally not be necessary to fulfill the purposes of the Act.

Accordingly, the Commission does not interpret the prospectus requirement as applying to a distribution of securities outside of Canada that is made in compliance with the securities laws of the foreign jurisdiction in which the investor is located, provided that the issuer, underwriters and other participants in the offering take reasonable steps to ensure that the securities come to rest outside of Canada and are not redistributed back into Canada. The issuer, underwriters and other participants in the offering would be expected to implement reasonable precautions and restrictions designed to ensure that the entire distribution process results in the securities being held by or for the benefit of foreign investors, as opposed to intermediaries in the distribution chain holding securities for resale to investors in Canada.

The Commission acknowledges that the connecting factors test at common law for determining the Commission's jurisdiction and the coming to rest notion for determining whether an Ontario prospectus is required may not provide sufficient certainty to market participants. The purpose of the Rule is to provide certainty to cross-border transactions by providing explicit exemptions that respond to the challenges that issuers and intermediaries face in determining whether a prospectus must be filed or an exemption from the prospectus requirement must be relied on in connection with a distribution of securities to investors outside of Canada. Therefore, the provision of exemptions in the Rule is not, by itself, determinative of whether Ontario securities law would otherwise apply to a distribution outside of Canada or to activities related to the distribution.

The Integrity of the Ontario Capital Markets and the Jurisdiction of the Commission

Neither the Rule nor this Policy impacts the jurisdiction of the Commission. Where the Commission becomes aware of conduct that may bring the reputation of Ontario's capital markets into disrepute or otherwise impair its mandate, the Commission may assert its jurisdiction and exercise its powers to take appropriate action against issuers, underwriters and other persons, including in connection with distributions of securities to an investor outside of Canada. Regardless of whether there is a distribution in Ontario in breach of section 53 of the Act, the Commission may exercise its discretionary authority to cease trade securities, make orders to prevent conduct contrary to the public interest, and make regulations to foster fair and efficient capital markets and confidence in capital markets.

PART 2 EXEMPTIONS FROM THE PROSPECTUS REQUIREMENT

Generally

The prospectus exemptions under Part 2 of the Rule are intended to facilitate cross-border offerings by removing the potentially duplicative application of Ontario prospectus requirements where offerings to an investor outside of Canada are made in compliance with the securities laws of the foreign jurisdiction.

Concurrent Distribution under Final Prospectus in Ontario

An issuer or selling securityholder distributing securities to an investor outside of Canada may concurrently distribute securities to purchasers in Ontario provided that the distribution of securities to an investor in Ontario is qualified by a prospectus filed under the Act, or is conducted in reliance on an exemption from the prospectus requirement. The condition under paragraph 2.2(b) of the Rule therefore requires the filing of a prospectus in Ontario in connection with a concurrent distribution in Ontario. The prospectus exemption under section 2.2 of the Rule may be relied on for purposes of the distribution to an investor outside of Canada only.

If an issuer or selling securityholder files a prospectus to qualify a concurrent distribution to a person or company in Ontario, the issuer may choose to file a prospectus in Ontario to qualify the distribution of securities to an investor outside of Canada. Any prospectus filed in such circumstances should therefore clearly state whether or not it also qualifies the distribution of securities to an investor outside of Canada, recognizing that purchasers of Ontario prospectus-qualified securities may be entitled to certain rights and investor protections under the Act even if the investor is outside of Canada.

If there is no concurrent distribution in Ontario but the issuer files an Ontario prospectus in connection with the distribution of securities to an investor outside of Canada, the securities being distributed outside of Canada will be qualified by the Ontario prospectus. In this case, the issuer or selling securityholder would not be relying on the exemption from the prospectus requirement in section 2.2 of the Rule because a prospectus in Ontario is qualifying the distribution.

Resale

Nothing in the Rule prohibits or restricts the resale of the securities distributed under an exemption from the prospectus requirement in section 2.1, 2.2, or 2.3 of the Rule. Nevertheless, the Commission expects the issuer, underwriters and other participants in the offering will have taken reasonable steps to ensure that the securities come to rest outside of Canada and are not redistributed back into Canada in a manner that constitutes an indirect distribution in Ontario.

Securities distributed under an exemption from the prospectus requirement in section 2.4 of the Rule may be subject to resale restrictions.

The Multijurisdictional Disclosure System

Nothing in the Rule is intended to affect the guidance in section 4.3 of Companion Policy 71-101CP To National Instrument 71-101 *The Multijurisdictional Disclosure System*. An issuer relying on an exemption from the prospectus requirement in paragraph 2.1(a) of the Rule may file a Form F-10 in connection with a distribution solely in the United States of America under the multijurisdictional disclosure system adopted by the SEC, select the Ontario as review jurisdiction, file the registration statement filed with the SEC with the Commission contemporaneously with the filing of the registration statement with the SEC, obtain notification of clearance from the Commission and advise the SEC of the issuance of the notification of clearance.

PART 3 EXEMPTIONS FROM THE REGISTRATION REQUIREMENT

Section 25 of the Act and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)* set out the general requirements for registration as well as certain exemptions from these requirements. The Companion Policy to NI 31-103 provides guidance to issuers and intermediaries on how to apply the triggers for registration as well as interpret the exemptions from these requirements.

Part 3 of the Rule provides an exemption from the dealer and underwriter registration requirements in Ontario securities law for certain foreign dealers (including dealers acting as underwriters) with respect to distributions to investors outside of Canada that are made under a prospectus filed in Ontario or made in reliance on the exemptions in Part 2 of the Rule. The exemption may also be relied on by an entity that has its head office in Canada, is not registered as a dealer in Canada but is registered as a dealer in the United States of America or a designated foreign jurisdiction. The exemption includes entities that have their head office in Canada to address the situation of certain foreign broker-dealer affiliates of Canadian firms that have no foreign offices and share space and personnel with the affiliated Canadian dealer.

The Commission reminds market participants that registration in Ontario is generally required (unless an exemption is otherwise available) where registerable activities are provided to investors in Ontario or where registerable activities are otherwise conducted within Ontario, regardless of the location of the investors.

The Commission recognizes that, in the case of a distribution of securities by an Ontario issuer to purchasers outside of Ontario, there may be a question as to whether foreign dealers or underwriters that participate in the distribution are subject to the dealer and underwriter registration requirements of Ontario securities law. The Commission has introduced the exemption in Part 3 of the Rule to provide greater certainty to market participants and to help address the challenges that foreign dealers and underwriters may face in determining whether the dealer and underwriter registration requirement applies to their activities. The provision of these exemptions is not determinative of whether Ontario securities law would otherwise apply to the activities of the foreign dealer or underwriter related to the distribution. Foreign dealers and advisers may also wish to consider the registration exemptions in OSC Rule 32-505 *Conditional Exemption from Registration for United States Broker-Dealers and Advisers Servicing U.S. Clients from Ontario*.

PART 4 THE FORM

Issuers are required to file the information set forth in Form 72-503F *Report of Distributions Outside of Canada (the Form)* electronically through the Commission's Electronic Filing Portal. The electronic filing requirement applies to all issuers that are subject to the Form's disclosure requirements. Please see OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* for further information.

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Avanco Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 27, 2016

Offering Price and Description:

\$500,000 - 5,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.

Promoter(s):

Joanne Yan

Project #2501029

Issuer Name:

Bank of Nova Scotia, The
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

\$15,000,000,000.00
Senior Debt Securities (Unsubordinated Indebtedness)
Subordinated Debt Securities (Subordinated Indebtedness)
Preferred Shares
Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2500400

Issuer Name:

Birchcliff Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 27, 2016
NP 11-202 Receipt dated June 27, 2016

Offering Price and Description:

\$634,500,000.00 - 101,520,000 Subscription Receipts
Price: \$6.25 per Subscription Receipt

Underwriter(s) or Distributor(s):

NATIONAL BANKFINANCIAL INC.
CORMARK SECURITIES INC.
GMP SECURITIES L.P.
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
HSBC SECURITIES (CANADA)INC.
TD SECURITIES INC.
RAYMOND JAMES LTD.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
MACQUARIE CAPITAL MARKETS CANADA LTD.
ALTACORP CAPITAL INC.
HAYWOOD SECURITIES INC.
INTEGRAL WEALTH SECURITIES LIMITED
PETERS & CO. LIMITED

Promoter(s):

-

Project #2500206

Issuer Name:

Canadian Western Bank
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

\$150,062,500.00 - 6,125,000 Common Shares
Price: \$24.50 per Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
CIBC World Markets Inc.
GMP Securities L.P.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Cormark Securities Inc.
Desjardins Securities Inc.
Barclays Capital Canada Inc.

Promoter(s):

-

Project #2498768

Issuer Name:

Dundee Precious Metals Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 24, 2016
NP 11-202 Receipt dated June 24, 2016

Offering Price and Description:

\$47,520,000.00 - 15,840,000 Common Shares
Price: \$3.00 per Offered Share

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
PARADIGM CAPITAL INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.

Promoter(s):

-

Project #2499695

Issuer Name:

First Asset Canadian Buyback Index ETF
First Asset Canadian Dividend Low Volatility Index ETF
First Asset U.S. Buyback Index ETF
First Asset U.S. Equity Multi-Factor Index ETF
First Asset U.S. Tactical Sector Allocation Index ETF
First Asset U.S. TrendLeaders Index ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated June 24, 2016
NP 11-202 Receipt dated June 27, 2016

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Asset Investment Management Inc.
Project #2501602

Issuer Name:

Lundin Gold Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated
Received on June 27, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2501833

Issuer Name:

Suncor Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Base Shelf Prospectus dated June 23, 2016
NP 11-202 Receipt dated June 23, 2016

Offering Price and Description:

US\$3,000,000,000

Debt Securities
Common Shares
Preferred Shares
Subscription Receipts
Warrants

Units

Share Purchase Contracts

Share Purchase Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2500920

Issuer Name:

Suncor Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Base Shelf Prospectus dated June 23, 2016
NP 11-202 Receipt dated June 23, 2016

Offering Price and Description:

\$3,000,000,000 - Series 5 Medium Term Notes
(Unsecured)

Underwriter(s) or Distributor(s):

ALTACORP CAPITAL INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
HSBC SECURITIES (CANADA) INC.
MERRILL LYNCH CANADA INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.

Promoter(s):

-

Project #2500921

Issuer Name:

Tamarack Valley Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 24, 2016
NP 11-202 Receipt dated June 24, 2016

Offering Price and Description:

\$8,003,200.00 - 1,952,000 Flow-Through Shares and
\$64,002,420.00 - 17,487,000 Subscription Receipts, each
representing the right to receive one Common Share
Price: \$4.10 per Flow-Through Share and
Price: \$3.66 per Subscription Receipt

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
DUNDEE SECURITIES LTD.
MACQUARIE CAPITAL MARKETS CANADA LTD.
CIBC WORLD MARKETS INC.
FIRSTENERGY CAPITAL CORP.
PETERS & CO. LIMITED
DESJARDINS SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
ALTACORP CAPITAL INC.

Promoter(s):

-

Project #2499710

Issuer Name:

Class B Units, Class D Units, Class F Units and Class I
Units (unless otherwise noted) of
Beutel Goodman Balanced Fund
Beutel Goodman Canadian Equity Fund
Beutel Goodman Total World Equity Fund
Beutel Goodman North American Focused Equity Fund
Beutel Goodman Fundamental Canadian Equity Fund
(Class B Units, Class F Units and Class I
Units only)

Beutel Goodman Small Cap Fund
Beutel Goodman Canadian Dividend Fund
Beutel Goodman Global Dividend Fund (Class B Units,
Class F Units and Class I Units only)
Beutel Goodman World Focus Equity Fund
Beutel Goodman Global Equity Fund
Beutel Goodman International Equity Fund
Beutel Goodman American Equity Fund
Beutel Goodman Income Fund
Beutel Goodman Long Term Bond Fund
Beutel Goodman Corporate/Provincial Active Bond Fund
Beutel Goodman Short Term Bond Fund (Class B Units,
Class F Units and Class I Units only)
Beutel Goodman Money Market Fund (Class D Units, Class
F Units and Class I Units only)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 23, 2016
NP 11-202 Receipt dated June 24, 2016

Offering Price and Description:

Class B Units, Class D Units, Class F Units and Class I
Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company Ltd.
Beutel, Goodman & Company Ltd.

Promoter(s):

Goodman & Company Ltd.

Project #2487434

Issuer Name:

BTB Real Estate Investment Trust
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

30002700.00
6,594,000 Units
\$4.55 per Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
TD Securities Inc.
Laurentian Bank Securities Inc.
Raymond James Ltd.
Scotia Capital Inc.
Echelon Wealth Partners Inc.
GMP Securities L.P.
Dundee Securities Inc.
Industrial Alliance Securities Inc.

Promoter(s):

-

Project #2497991

Issuer Name:

Canoe Bond Advantage Fund (Series A, F and I)
Canoe Bond Advantage Class (Series A and F)*
Canoe Canadian Corporate Bond Fund (formerly O'Leary Canadian Bond Yield Fund)
(Series A, F, FH and I)
Canoe Floating Rate Income Fund (formerly O'Leary Floating Rate Income Fund)
(Series A (hedged), A, F (hedged), F, FH, I (hedged) and Z)
Canoe Global Income Fund (Series A, AX, AY, F, FX, FY, I, O and X)
Canoe Global Income Class (Series A and F)*
Canoe Enhanced Income Fund (Series A, F, FX and I)
Canoe Enhanced Income Class (Series A and F)*
Canoe Strategic High Yield Fund (Series A, AX, F, FX and I)
Canoe Strategic High Yield Class (Series A and F)*
Canoe Canadian Monthly Income Class (Series A, F, F6 and T6)*
Canoe North American Monthly Income Class (Series A, AX, F, FX, X and Z)*
Canoe Global Balanced Fund (formerly O'Leary Global Infrastructure Income Fund)
(Series A (hedged), F (hedged), X (hedged) and Y (hedged))
Canoe Canadian Asset Allocation Class (Series A, F, F6, T6 and Z)*
Canoe Equity Income Class (Series A, AX, F, FX, X, Y and Z)*
Canoe Canadian Dividend Fund (formerly O'Leary Canadian Dividend Fund) (Series A, F and I)
Canoe U.S. Equity Income Class (Series A and F)*
Canoe Global Equity Income Class (Series A, AX, AY, F, FX, FY, I, X and XX)*
Canoe Equity Class (Series A, F, F6 and T6)*
Canoe Global Opportunities Class (formerly, Canoe Global Value Class) (Series A and F)*
Canoe Energy Income Class (Series A and F)*
Canoe Energy Class (Series A and F)*
EnerVest Natural Resource Fund Ltd. (mutual fund shares)
* each a class of Canoe 'GO CANADA!' Fund Corp.
Principal Regulator - Alberta

Type and Date:

Final Simplified Prospectuses dated June 23, 2016
NP 11-202 Receipt dated June 24, 2016

Offering Price and Description:

Series A, Series A (hedged), Series AX, Series AY, Series F, Series F (hedged), Series FH, Series FX, Series FY, Series F6, Series I, Series I (hedged), Series O, Series T6, Series X, Series X (hedged), Series XX, Series Y, Series Y (hedged) and Series Z units or shares or mutual fund shares @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Canoe Financial LP
Project #2482362

Issuer Name:

Commerce Resources Corp.
Principal Regulator - British Columbia

Type and Date:

Amended and Restated Short Form Prospectus dated June 20, 2016, amending and restating the Short Form prospectus dated February 25, 2016
NP 11-202 Receipt dated June 21, 2016

Offering Price and Description:

Minimum Offering: \$1,000,000.00 - 13,333,333 Units
Maximum Offering: \$3,000,000.00 - 40,000,000 Units
Price: \$0.075 per Unit

Underwriter(s) or Distributor(s):

Secutor Capital Management Corporation

Promoter(s):

-

Project #2394910

Issuer Name:

Dynamic Emerging Markets Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 23, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

1832 Asset Management L.P.

Promoter(s):

-

Project #2484442

Issuer Name:

Firan Technology Group Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

\$6,900,000.00 - 3,450,000 Subscription Warrants Issuable on Exercise of 3,450,000 Outstanding Special Warrants
Price: \$2.00 per Special Warrant

Underwriter(s) or Distributor(s):

Acumen Capital Finance Partners Limited
Paradigm Capital Inc.
Clarus Securities Inc.

Promoter(s):

-

Project #2498035

Issuer Name:

First Asset Resource Fund Inc.
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated June 21, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

CLASS A SHARES, SERIES 1

Underwriter(s) or Distributor(s):

TDK Management Fund Inc.

Promoter(s):

-

Project #2486589

Issuer Name:

GOODWOOD CAPITAL FUND
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 30, 2016 to the Simplified Prospectuses and Annual Information Form dated May 16, 2016

NP 11-202 Receipt dated June 23, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2468380

Issuer Name:

Palos Equity Income Fund
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectuses dated June 21, 2016
NP 11-202 Receipt dated June 23, 2016

Offering Price and Description:

Series A and F

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2484884

Issuer Name:

PHX Energy Services Corp.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 21, 2016
NP 11-202 Receipt dated June 21, 2016

Offering Price and Description:

\$20,250,000.00 - 7,500,000 Common Shares
Price: \$2.70 per Common Share

Underwriter(s) or Distributor(s):

Peters & Co. Limited
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
AltaCorp Capital Inc.

Promoter(s):

-

Project #2496392

Issuer Name:

Sprott Physical Silver Trust
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated June 21, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

U.S.\$1,500,000,000
Trust Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2497765

Issuer Name:

Toro Oil & Gas Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 22, 2016
NP 11-202 Receipt dated June 22, 2016

Offering Price and Description:

\$11,301,878.00 - 49,138,600 Units
Price: \$0.23 per Unit

Underwriter(s) or Distributor(s):

AltaCorp Capital Inc.
GMP Securities L.P.
MacQuarie Capital Markets Canada Ltd.
National Bank Financial Inc.
FirstEnergy Capital Corp.
PI Financial Corp.

Promoter(s):

-

Project #2497408

Issuer Name:

Money High Yield Bond Fund
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 31, 2016
Withdrawn on June 21, 2016

Offering Price and Description:

Maximum Offering: \$ * - * Class A Units and/or Class T Units

Minimum Offering: \$10,000,000 - 1,000,000 Units

Price: \$10.00 per Class A Unit or Class T Unit

Minimum purchase: 100 Class A Units or Class T Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Raymond James Ltd.
Desjardins Securities Inc.
Global Securities Corporation
Industrial Alliance Securities Inc.
Laurentian Bank Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated
PI Financial Corp.

Promoter(s):

BMO Nesbitt Burns Inc.

Project #2466115

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Return on Innovation Advisors Ltd.	From: Portfolio Manager, Investment Fund Manager, Exempt Market Dealer and Commodity Trading Manager To: Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	June 21, 2016
New Registration	Responsive Capital Management Inc.	Portfolio Manager	June 23, 2016
Consent to Suspension (Pending Surrender)	Stable Capital Advisors Inc.	Exempt Market Dealer	June 24, 2016

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 MFDA – Proficiency Standard for Approved Persons Selling Exchange Traded Funds (ETFs) OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

PROPOSED NEW MFDA POLICY NO. 8 (PROFICIENCY STANDARD FOR APPROVED PERSONS SELLING ETFs)

On June 8, 2016, the Board of Directors of the MFDA approved the publication for the new Policy 8 (Proficiency Standard for Approved Persons Selling ETFs). MFDA is publishing for public comment the proposed amendments which are intended to establish minimum standards that are intended to ensure that Approved Persons trading in ETFs have the education, training, and experience that a reasonable person would consider necessary to perform the activity competently.

A copy of the MFDA Notice including the Proposed New Policy is published on our website at www.osc.gov.on.ca. The comment period ends on September 28, 2016.

13.3 Clearing Agencies

13.3.1 Canadian Derivatives Clearing Corporation – Material Amendments to CDCC Rules, and Risk Manual – Notice of Commission Approval

**THE CANADIAN DERIVATIVES CLEARING CORPORATION
MATERIAL AMENDMENTS TO CDCC RULES, AND RISK MANUAL
NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Derivatives Clearing Corporation (CDCC), the Commission approved on May 13, 2016, changes to CDCC Rules A-102, A-1A01, A-301, A303, A305 and the CDCC Risk Manual.

A copy of the CDCC notices was published for comment on December 17, 2015 on the Commission's website at: <http://www.osc.gov.on.ca>. No comments were received.

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