The Ontario Securities Commission

OSC Bulletin

October 6, 2016

Volume 39, Issue 40

(2016), 39 OSCB

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

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

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

Contact Centre – Inquiries, Complaints:

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

Office of the Secretary:

Fax: 416-593-2318

Published under the authority of the Commission by:
Thomson Reuters
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

The OSC Bulletin is published weekly by Thomson Reuters Canada, under the authority of the Ontario Securities Commission.

Subscriptions to the print Bulletin are available from Thomson Reuters Canada at the price of $868 per year. The eTable of Contents is available from $148 to $155. The CD-ROM is available from $1392 to $1489 and $314 to $336 for additional disks.

Subscription prices include first class postage to Canadian addresses. Outside Canada, the following shipping costs apply on a current subscription:

440 grams	US – $5.41	Foreign – $18.50
860 grams	US – $6.61	Foreign – $10.60
1140 grams	US – $7.64	Foreign – $14.70

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

Thomson Reuters Canada also offers every issue of the Bulletin, from 1994 onwards, fully searchable on S*ecuritiesSource*™, Canada's pre-eminent web-based securities resource. *SecuritiesSource*™ also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*™, as well as ordering information, please go to:

http://www.westlawecarswell.com/SecuritiesSource/News/default.htm

or call Thomson Reuters Canada Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Thomson Reuters Canada up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

ISSN 0226-9325

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

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
Fax 1-416-298-5082
www.carswell.com
Email www.carswell.com/email

Table of Contents

Chapter 1

Notices / News Releases

1.5 Notices from the Office of the Secretary

1.5.1 Zulutoys Limited and RBOptions

FOR IMMEDIATE RELEASE
September 28, 2016

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

AND

IN THE MATTER OF
ZULUTOYS LIMITED and
RBOPTIONS

TORONTO – The Commission issued an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

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

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 RTG Direct Trading Group Ltd. and RTG Direct Trading Limited

FOR IMMEDIATE RELEASE
September 28, 2016

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

AND

IN THE MATTER OF
RTG DIRECT TRADING GROUP LTD. and
RTG DIRECT TRADING LIMITED

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

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than October 7, 2016;

3. The Respondents' responding materials, if any, shall be served and filed no later than October 21, 2016; and

4. Staff's reply materials, if applicable, shall be served and filed no later than October 28, 2016.

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

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.3 Steven J. Martel et al.

FOR IMMEDIATE RELEASE
September 28, 2016

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

AND

IN THE MATTER OF
STEVEN J. MARTEL,
MARTEL GROUP OF COMPANIES INC. and
8446997 CANADA INC.

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

1. this matter is adjourned to a further pre-hearing conference on November 4, 2016 at 10:00 a.m., or such other date as may be agreed to by the parties and set by the Office of the Secretary;

2. the Third Appearance in this matter will be held on December 12, 2016 at 2:00 p.m., or such other date as may be agreed to by the parties and set by the Office of the Secretary; and

3. the Respondents shall make disclosure to Staff, by no later than 30 days before the date of the Third Appearance, of their witness lists and summaries and indicate any intention to call an expert witness, in which event they shall provide Staff with the name of the expert and state the issue or issues on which the expert will be giving evidence.

The pre-hearing conference will be held *in camera*.

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

OFFICE OF THE SECRETARY
ROBERT BLAIR
ACTING SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Mackenzie Financial Corporation and IPC Investment Corporation

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement in s. 3.2.01(1) of NI 81-101 to deliver a fund facts document to investors who purchase mutual fund securities of series that are only sold under deferred sales charge options will, after a minimum holding period, be automatically switched to the initial sales charge series – Upon the automatic switch, investors will benefit from lower management fees– Automatic switches between series of a fund triggering a distribution of securities attracting the requirement to deliver a fund facts – Relief granted from requirement to deliver a fund facts upon the automatic switch subject to compliance with certain notification and prospectus/fund facts disclosure requirements.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 3.2.01(1).

September 27, 2016

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

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

AND

IPC INVESTMENT CORPORATION
(the Representative Dealer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of each existing mutual fund listed in Schedule "A" (each, an **Existing Fund** and, collectively, the **Existing Funds**) and any mutual fund that the Filer may establish in the future (the **Future Funds** and, together with the Existing Funds, the **Funds**, and each, a **Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the requirement in subsection 3.2.01(1) of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for a dealer to deliver or send the most recently filed fund facts documents (**Fund Facts**) to a purchaser before a dealer accepts an instruction from a purchaser for the purchase of a security of a mutual fund (the **Pre-sale Fund Facts Delivery Requirement**) in respect of the purchases of Series SC, Series S6 and Series S8 securities of the Funds that are made pursuant to Automatic Switches (defined below) (the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

The Filer

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

2. The Filer is registered as an investment fund manager, portfolio manager, exempt market dealer and commodity trading manager in Ontario. The Filer is also registered as a portfolio manager and exempt market dealer in the Other Jurisdictions and as an investment fund manager in Newfoundland and Labrador and Québec.

3. The Filer is the manager, promoter and portfolio manager of the Funds.

4. The head office of the Filer is located in Toronto, Ontario.

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

6. The Representative Dealer is registered as a mutual fund dealer in the Jurisdictions and registered as an exempt market dealer in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Ontario and Saskatchewan.

The Funds

7. Each Fund is, or will be, an open-end mutual fund trust created under the laws of the Province of Ontario or an open-end mutual fund that is a class of shares of a mutual fund corporation.

8. Each Fund is, or will be, a reporting issuer under the laws of the Jurisdictions and subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**). The securities of the Funds are, or will be, qualified for distribution pursuant to a simplified prospectus, Fund Facts and annual information form that have been prepared and filed in accordance with NI 81-101. The securities of the Existing Funds are currently offered under a simplified prospectus dated September 29, 2015, as amended.

9. All Existing Funds currently offer Series A, Series F, Series FB, Series PW, Series PWF, Series PWX and Series SC. Mackenzie Canadian Bond Fund also offers B-Series, Investor Series, Series AR, Series D, Series G, Series I, Series O, Series PWT8, and Series U. Mackenzie Canadian Money Market Fund also offers Investor Series, Series AR, Series C, Series DA, Series G, Series GP, Series I, Series O and Series SP. Mackenzie Canadian Short Term Income Fund also offers Series D, Series G, Series I, Series O and Series PWX8. Mackenzie Floating Rate Income Fund also offers Series AR, Series D, Series F6, Series FB5, Series O, Series O6, Series PWF8, Series PWT8, Series PWX8, Series S6 and Series T6. Mackenzie Global Tactical Bond Fund also offers Series AR, Series D, Series F6, Series FB5, Series O, Series PWF8, Series PWT8, Series PWX8, Series S6, Series T6 and Series U. Mackenzie Global Tactical Investment Grade Bond Fund also offers Series AR, Series D, Series F6, Series FB5, Series O, Series S6 and Series T6. Mackenzie Investment Grade Floating Rate Fund also offers Series AR, Series D, Series F6, Series FB5, Series O, Series S6 and Series T6. Mackenzie Strategic Bond Fund also offers Series AR, Series D, Series F6, Series FB5, Series O, Series O6, Series PWF8, Series S6 and Series T6. Mackenzie Unconstrained Fixed Income Fund Series AR, Series D, Series FB5, Series O, Series S8 and Series T8. Mackenzie USD Global Tactical Bond Fund also offers Series D, Series F6, Series FB5Series S6 and Series T6. Mackenzie USD Ultra Short Duration Income Fund also offers Series D.

10. The Filer offers four main purchase options: the sales charge purchase option (**SCS option**), the low-load 2 purchase option (**LL2**), the low-load 3 purchase option (**LL3**), and the redemption charge purchase option (**RCS** and, together with LL3 and LL2, the **Deferred Sales Charge options**). Under the SCS option, investors may have to pay a negotiated commission to their dealer at the time they purchase securities, while under the Deferred Sale Charge options, no commission is paid by the investor at the time of purchase, but the investor will be required to pay a redemption fee if he or she redeems within a certain period of time from the date of purchase.

11. The Existing Funds are not in default of securities legislation in any of the Jurisdictions.

Automatic Switches

12. The Filer is starting a program on December 30, 2016 (the "**Implementation Date**") whereby investors will be switched from the Deferred Sales Charge option to the SCS option upon expiry of their redemption charge schedule. The Funds do not offer both a Deferred Sales Charge option and a SCS option within the same series; therefore, the Filer will switch the investors series of securities into the SCS option of a different series of the same Fund.

13. The Filer believes this change will create greater transparency for investors as it has the benefit of reminding investors that their deferred sales charge schedule is now expired and they can trade freely without sales charges. Currently, even after the deferred sales charge schedule is expired, an investor's statement would still note "deferred sales charge" in the security identifier, and so they have no way of easily knowing if any fee schedule still applies.

14. In order to implement this switch, the Filer proposes to make the following changes (**Changes**) and provide for the automatic switch of each Series A, Series T6 or Series T8 security to a Series SC, Series S6 or Series S8 security, respectively, of the same Fund once the applicable redemption schedule has finished for each Series A, Series T6 or Series T8 security (an **Automatic Switch** and, collectively, **Automatic Switches**). For each Series A, Series T6 or Series T8 securities held or purchased under the RCS option, the Automatic Switch will occur once investors have held their securities for a period of seven years, for Series A, Series T6 or Series T8 securities held or purchased under the LL3 option, the Automatic Switch will occur once investors have held their securities for a period of three years, and for Series A, Series T6 or Series T8 securities held or purchased under the LL2 option, the Automatic Switch will occur once investors have held their securities for a period of two years (each, a **Minimum Period**). Each Automatic switch of any eligible securities will be effected on the second Friday of the month following the date upon which the securities become eligible for the Automatic Switch.

15. The only differences (the **Series Differences**) between the Series A, Series T6 or Series T8 securities after the applicable Minimum Period and the corresponding Series SC, Series S6 or Series S8 securities, are:

    a. Series A, T6 and T8 securities of the Existing Funds are available for purchase and are sold only under the Deferred Sales Charge options;

    b. Series SC, S6 and S8 securities of the Existing Funds are available for purchase and are sold only under the SCS option;

    c. For the majority of investors (those who purchased securities after February 13, 2006), the management fees for Series Series SC, Series S6 or Series S8 securities are lower than the respective management fees for Series A, Series T6 or Series T8 securities; and

    d. For any investors that purchased Series A, Series T6 or Series T8 securities of the Existing Funds before February 13, 2006, the corresponding Series SC, Series S6 and Series S8 securities will have both a lower management fee and a higher trailing commission than their Series A, Series T6 or Series T8 securities. This is due to the fact that securities purchased prior to February 13, 2006 did not automatically have an increase in their trailing commission following the expiry of the redemption charge schedule.

16. Investors, once they have held their securities for the applicable Minimum Period, will be Automatically Switched to Series SC, Series S6 or Series S8 securities under the SCS option and thereafter will benefit from the lower management fees that are otherwise available to investors in Series SC, Series S6 and Series S8 securities.

17. Implementation of the Changes will have no adverse tax consequences on investors under current Canadian tax legislation.

18. Each Automatic Switch will entail a redemption of Series A, Series T6 or Series T8 securities, immediately followed by a purchase of Series SC, Series S6 or Series S8 securities of the same Fund. Each purchase of securities done as part of the Automatic Switch will be a "distribution" under the Legislation that triggers the Pre-sale Fund Facts Delivery Requirement.

19. While the Filer will initiate each trade done as part of the Automatic Switches, the Filer does not propose to deliver the Fund Facts to investors in connection with the purchase of Series SC, Series S6 or Series S8 securities made pursuant to Automatic Switches, since such investors would have received a Fund Facts disclosing that, once the Series A, Series T6 or Series T8 securities were held for the applicable Minimum Period, such securities would be switched to Series SC, Series S6 or Series S8 securities of the same Fund. The investment of such investors will be in securities of the same Fund with the same underlying pool of assets, same investment objectives and strategies and the same valuation procedures. Investors receiving Series A, Series T6 or Series T8 Fund Facts are informed pursuant to such Fund Facts that, upon an Automatic Switch, the Series SC, Series S6 or Series S8 securities will not be subject to redemption fees and will have lower management fees (including the percentage rate of such fees).

20. Each investor who receives a Series A, Series T6 or Series T8 Fund Facts will be fully informed of the Series Differences, therefore there would be no benefit for such investor to receive a Fund Facts in connection with the purchase of Series SC, Series S6 or Series S8 securities made pursuant to an Automatic Switch.

21. The simplified prospectus and Series A, Series T6 and Series T8 Fund Facts of the Funds discloses, or will disclose:

    (a) That the Series A, Series T6 and Series T8 securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date to the Series SC, Series S6 or Series S8 securities, as the case may be, of the same Fund;

    (b) That such Series SC, Series S6 or Series S8 securities will have a lower management fee than the corresponding Series A, Series T6 and Series T8 securities and will not be subject to a deferred/low load sales charge with a redemption fee;

    (c) The rate of the management fee for Series SC, Series S6 or Series S8 securities;

    (d) The trailing commission rates payable by the Filer in respect of the Series A, Series T6 or Series T8 securities (a) prior to the expiry of the applicable Minimum period and (b) after the expiry of the applicable Minimum period before the Automatic Switch; and

    (e) The trailing commission rates payable by the Filer in respect of the Series SC, Series S6 or Series S8 securities upon the Automatic Switch.

22. The Filer will continue to deliver or arrange for the delivery of transaction confirmations to investors in connection with each trade done further to Automatic Switches. Details of the changes in series of securities held will be reflected in the transaction confirmations sent to investors for the month in which the change occurred.

23. The Filer will discuss these Changes with dealers to ensure that dealers will be in a position to advise investors of the Changes.

24. In the absence of the Exemption Sought, the Automatic Switches are not capable of being implemented without compliance with the Pre-sale Fund Facts Delivery Requirement

Decision

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

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

1. For investors who purchase Series A, Series T6 and Series T8 on and after the Implementation Date:

    (a) The simplified prospectus and Series A, Series T6 and Series T8 Fund Facts of the Funds discloses, or will disclose:

        (i) That the Series A, Series T6 and Series T8 securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date to the Series SC, Series S6 or Series S8 securities, as the case may be, of the same Fund;

        (ii) That such Series SC, Series S6 or Series S8 securities will have a lower management fee than the corresponding Series A, Series T6 and Series T8 securities and will not be subject to a deferred/low load sales charge with a redemption fee;

(iii) The rate of the management fee for Series SC, Series S6 or Series S8 securities;

(iv) The trailing commission rates payable by the Filer in respect of the Series A, Series T6 or Series T8 securities (a) prior to the expiry of the applicable Minimum period and (b) after the expiry of the applicable Minimum period before the Automatic Switch; and

(v) The trailing commission rates payable by the Filer in respect of the Series SC, Series S6 or Series S8 securities upon the Automatic Switch (collectively, with items (i), (ii), (iii) and (iv), the **Series A, Series T6 and Series T8 Disclosure**);

(b) The Fund Facts for Series A, Series T6 and Series T8, as the case may be, containing the Series A, Series T6 and Series T8 Disclosure will be delivered to prospective Series A, Series T6 and Series T8 investors before a dealer accepts an instruction from such investors to purchase Series A, Series T6 and Series T8 securities on or after the Implementation Date in accordance with the Pre-sale Fund Facts Delivery Requirement.

(c) The Filer incorporates the Series A, Series T6 and Series T8 Disclosure in the simplified prospectus of the Funds; and

2. For investors in Series A, Series T6 and Series T8 securities of the Funds, purchased or held under the Deferred Sales Charge options prior to the Implementation Date:

(a) The Filer will liaise with dealers to devise a notification plan for such investors regarding the Automatic Switches that addresses the following:

(i) That the Series A, Series T6 and Series T8 securities will be automatically switched following the expiry of the applicable Minimum Period, on the applicable switch date to the Series SC, Series S6 and Series S8 securities (which is an initial sales charge series), as they case may be, of the same Fund;

(ii) That other than the Automatic Switch and the Series Differences, there will be no other material differences between the Series A, Series T6 and Series T8 securities and the Series SC, Series S6 and Series S8 securities of the same Fund;

(iii) That they will not receive a Fund Facts upon an Automatic Switch, but that:

1. They may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to specified address or email address;

2. The most recently filed Fund Facts will be sent or delivered to them at no cost;

3. The most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website; and

4. They will not have the right to withdraw from an agreement of purchase and sale (a **Withdrawal Right**) in respect of a purchase of Series SC, Series S6 or Series S8 securities made further to an Automatic Switch, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into a simplified prospectus for the Series SC, Series S6 or Series S8 securities, as applicable, contains a misrepresentation, whether or not they request the Fund Facts.

3. For investors in Series A, Series T6 and Series T8 securities, the Filer sends to such investors an annual reminder notice advising that they will not receive Fund Facts upon an Automatic Switch, but that:

(a) They may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to a specified address or email address;

(b) The most recently filed Fund Facts will be sent or delivered to them at no cost;

(c) The most recently filed Fund Facts may be found either on SEDAR website or on the Filer's website; and

(d) They will not have a Withdrawal Right in respect of a purchase of Series SC, Series S6 or Series S8 securities made further to an Automatic Switch, but they will have the right of action for damages or rescission in the

event any Fund Facts or document incorporated by reference into a simplified prospectus for the Series SC, Series S6 or Series S8 securities, as applicable, contains a misrepresentation, whether or not they request the Fund Facts.

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

Schedule A

Fund	Deferred Sales Charge purchase option Series	Sales charge purchase option Series
Mackenzie Canadian Bond Fund; Mackenzie Canadian Money Market Fund; Mackenzie Canadian Short Term Income Fund; Mackenzie USD Ultra Short-Duration Income Fund	A	SC
Mackenzie Floating Rate Income Fund; Mackenzie Global Tactical Bond Fund; Mackenzie Global Tactical Investment Grade Bond Fund; Mackenzie Investment Grade Floating Rate Fund; Mackenzie Strategic Bond Fund; Mackenzie USD Global Tactical Bond Fund	A T6	SC S6
Mackenzie Unconstrained Fixed Income Fund	A T8	SC S8

2.1.2 Laurus Investment Counsel Inc. et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – under paragraphs 4.1(1)(a) and 4.1(1)(b) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned firm or if the individual is registered as a dealing, advising or associate advising representative of another registered firm – The registered firms have valid business reasons for the individuals to be registered with both firms; the situation will last only until the registration of the acquired firm is surrendered and, if applicable, its membership with an SRO is terminated; the individuals will have sufficient time to adequately serve both firms; the situation will last only until the earlier of one year from the date of the relief and the date that the registration of the acquired firm is surrendered or terminated; the firms have policies and procedures in place to manage potential conflicts of interest; the firms are able to deal with any potential conflicts, including by supervising how the individual will deal with these conflicts.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

September 27, 2016

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

AND

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

AND

IN THE MATTER OF
LAURUS INVESTMENT COUNSEL INC. (Laurus),
BLUEWATER INVESTMENT MANAGEMENT INC. (Bluewater) AND
DENNIS STARRITT (Starritt)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from Laurus and Bluewater (collectively, the **Filers**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption from the restrictions in paragraphs 4.1(1)(a) and 4.1(1)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit Starritt to act as an advising representative and officer of Laurus while also acting as a director, officer and advising representative of Bluewater for a limited period of time following the acquisition of substantially all the assets, including the bulk transfer of client accounts, of Bluewater by Laurus (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by Laurus in Alberta, British Columbia, Manitoba and Saskatchewan.

Interpretation

Terms defined in MI 11-102, NI 31-103 and National Instrument 14-101 *Definitions* have the same meaning in this decision unless otherwise defined.

Representations

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

1. Laurus is a company organized under the laws of Canada, with its head office in Oakville, Ontario. Laurus is currently registered in the categories of exempt market dealer and portfolio manager under the securities legislation of each of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan and in the category of investment fund manager under the securities legislation of Ontario.

2. The principal regulator of Laurus is the OSC.

3. Laurus is not in default of any requirement of securities legislation in any jurisdiction of Canada.

4. Bluewater is a company organized under the laws of Ontario, with its head office in Toronto, Ontario. Bluewater is registered in the category of portfolio manager under the securities legislation of Ontario.

5. The principal regulator of Bluewater is the OSC.

6. Bluewater is not in default of any requirement of securities legislation in any jurisdiction of Canada.

7. The Filers are each independently owned and are not affiliates of one another.

The Transaction

8. The application for the Exemption Sought is made in relation to the transfer of substantially all of the assets of Bluewater, including Bluewater's client accounts and certain other assets to Laurus (the **Transaction**). In connection with the Transaction, Starritt will seek registration as an advising representative of Laurus under the securities legislation of Ontario, Alberta, British Columbia, Manitoba and Saskatchewan.

9. Pursuant to section 11.9 of NI 31-103 the Filers notified the OSC of the Transaction by letter dated August 22, 2016.

10. Bluewater will transfer all of its client accounts and sub-advisory agreements to Laurus on or about September 30, 2016 (the **Transaction Date**).

Dual Registration

11. Starritt is currently the director and officer of Bluewater and is registered as the ultimate designated person (**UDP**), the chief compliance officer (**CCO**), and sole advising representative of Bluewater.

12. On or after the Transaction Date, Starritt will:

    (a) terminate his registration as an advising representative of Bluewater, and

    (b) subsequently seek registration as an advising representative of Laurus, be appointed as an officer of Laurus, and will continue as director and officer of Bluewater until the surrender of Bluewater's registration under applicable securities legislation is complete and accepted by the OSC (the **Dual Registration**).

13. Upon registration as an advising representative of Laurus, Starritt will no longer be involved in trading activities on behalf of Bluewater.

14. Upon completion of the Transaction, Bluewater agreed to the following term and condition being placed upon its registration:

    (a) Bluewater and its registered individuals will not trade in securities within the meaning of applicable securities laws and will not open any new client accounts; and

(b) Starritt, as a director, non-trading officer, UDP and CCO of Bluewater, will act in such capacity only to comply with regulatory requirements, including, as necessary, to complete the surrender of Bluewater's registration which surrender application has been submitted to the OSC.

15. The Dual Registration will permit Starritt:

(a) as an officer, director, and advising representative of Bluewater to facilitate the orderly wind-up of Bluewater's registerable business and operations, including the voluntary surrender of Bluewater's registration under applicable securities legislation; and

(b) as an advising representative of Laurus to provide, in relation to former clients of Bluewater who will become clients of Laurus, services that are similar to the services he performed on behalf of Bluewater.

16. Effective as of the Transaction Date, Bluewater will cease its registrable activities and will not open any new client accounts. Following the Transaction Date, Bluewater will notify the OSC of the completion of the Transaction, and will continue with the steps required to complete the surrender of its registration under applicable securities legislation. Bluewater expects to complete the wind-up of its registrable business and operations by January 2017.

17. Subject to the issuance of the Exemption Sought, Laurus will, on the Transaction Date, submit an application via the National Registration Database to register Starritt as an advising representative of Laurus.

18. Starritt will have sufficient time and resources to adequately meet his obligations to each of the Filers.

19. The Filers have in place policies and procedures to address any conflicts of interest that may arise as a result of the Dual Registration. The limited activities of Bluewater and Starritt following the Transaction Date will be administrative in nature and will not include registerable activities of any kind, which should result in there being few, if any, conflicts of interest.

20. Laurus has compliance and supervisory policies and procedures in place to monitor the conduct of its representatives, including Starritt, and to ensure that Laurus can deal appropriately with any conflicts of interest that may arise.

21. Laurus will supervise the activities that Starritt will conduct on behalf of Bluewater in the same way that it does other outside business activities of its registered individuals, including by holding meetings regularly with him and by obtaining regular status reports from him.

22. In the absence of the Exemption Sought, the Filers would be prohibited under paragraphs 4.1(1)(a) and 4.1(1)(b) of NI 31-103 from permitting Starritt to act as an advising representative and officer of Laurus while also acting as an officer, director and advising representative of Bluewater.

Decision

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

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

(a) the Exemption Sought is effective on the date the Transaction is completed;

(b) the Exemption Sought shall expire on the earlier of the following:

(i) one year after the date hereof; and

(ii) the date on which the surrender of Bluewater's registration is accepted by the OSC.

"Marrianne Bridge"
Deputy Director,
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.3 PI Financial Corp. and Global Securities Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – under paragraph 4.1(1)(a) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned firm – firms are not affiliated entities – first registered firm acquiring second registered firm's client accounts – second registered firm intends to surrender registration – the second firm agrees to be subject to terms and conditions on its registration – the firms have valid business reasons for individual to be registered with both firms – individual has sufficient time to adequately serve both firms – since one firm is winding up, conflicts of interest are unlikely to arise – the firms have policies in place to handle potential conflicts of interest – the firms are exempted from the prohibition for a limited period of time.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

September 20, 2016

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

AND

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

AND

IN THE MATTER OF
PI FINANCIAL CORP.
(PI Financial)

AND

GLOBAL SECURITIES CORPORATION
(Global and together with PI Financial, the Filers)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Makers) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from the requirement in section 4.1(1)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) to permit Arthur M. Smolensky to act as a dealing representative of PI Financial and also act as a director and an officer of Global for a limited period of time following the acquisition of substantially all of the assets, including the customer accounts, of Global by PI Financial (Relief Sought).

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

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in all of the other provinces and territories of Canada; and

(c) the decision is the decision of the principal regulator and evidences the decision of the regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 31-103 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. PI Financial is registered as:

   (a) an investment dealer in each of the jurisdictions of Canada;

   (b) a dealer (futures commission merchant) in Manitoba;

   (c) a futures commission merchant in Ontario; and

   (d) a derivatives dealer in Quebec, and

   is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and has its head office in British Columbia.

2. Global is registered as:

   (a) an investment dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Northwest Territories and Yukon;

   (b) a dealer (futures commission merchant) in Manitoba;

   (c) a futures commission merchant in Ontario; and

   (d) a derivatives dealer in Quebec, and

   is a member of IIROC and has its head office in British Columbia.

3. PI Financial and Global are each independently owned and are not affiliates of one another.

4. Neither of the Filers is in default of any requirements of securities legislation in any jurisdiction of Canada.

5. Mr. Smolensky is currently the Chairman, a director and a direct and indirect beneficial owner of common shares of Global.

6. Mr. Smolensky is resident in British Columbia and is registered as a dealing representative of Global in British Columbia, Alberta, Manitoba, Saskatchewan, Quebec and Ontario and as a salesperson (futures commission merchant) in Ontario and a derivatives dealing representative (derivatives dealer) in Quebec.

7. The application for the Relief Sought is made in relation to the transfer of substantially all of the assets of Global, including Global's customer accounts and certain other assets to PI Financial (the Transaction). In connection with the Transaction, Mr. Smolensky will seek registration as a dealing representative, a salesperson (futures commission merchant) in Ontario and a derivatives dealing representative (derivatives dealer) in Quebec of PI Financial and will become an officer of PI Financial.

8. Pursuant to section 11.9 of NI 31-103, the Filers notified the BCSC, as principal regulator of each Filer, of the Transaction by letter dated July 19, 2016.

9. IIROC has provided its approval of the bulk transfer of client accounts from Global to PI Financial as part of the Transaction.

10. The Filers will not complete the Transaction until all requisite approvals are obtained from IIROC.

11. A notice of the Transaction, which included information about the transfer of customer accounts to PI Financial, was mailed to Global's clients on or about June 30, 2016.

12. The transfer of the customer accounts from Global to PI Financial will be completed on or about September 25, 2016 (the Transaction Date).

13. On or after the Transaction Date, Mr. Smolensky will:

    (a) terminate his registration as a dealing representative in all applicable jurisdictions, a salesperson (futures commission merchant) in Ontario and a derivatives dealing representative (derivatives dealer) in Quebec of Global, and

    (b) subsequently seek registration as a dealing representative, a salesperson (futures commission merchant) in Ontario and a derivatives dealing representative (derivatives dealer) in Quebec of PI Financial and be appointed as an officer of PI Financial, and will also continue as a director and an officer of Global until the resignation of Global's IIROC membership and the voluntary surrender of Global's registrations under applicable securities legislation is complete (the Dual Registration).

14. Upon registration as a dealing representative, a salesperson (futures commission merchant) in Ontario and a derivatives dealing representative (derivatives dealer) in Quebec of PI Financial, Mr. Smolensky will no longer be involved in trading activities on behalf of Global.

15. Global has agreed to the following terms and conditions being placed upon its registration upon completion of the Transaction:

    (a) Global and its registered individuals will not trade in securities within the meaning of applicable securities laws and will not open any new customer accounts; and

    (b) Mr. Smolensky, as a director and non-trading officer of Global, will act in such capacity only to comply with regulatory requirements including, as necessary, to resign the membership of Global with IIROC and surrender the registration of Global under applicable securities legislation.

16. Global will ensure that Mr. Smolensky adheres to the terms and conditions set out in representation 15 that will be imposed on Global's registration.

17. The Dual Registration will permit Mr. Smolensky:

    (a) as an officer and director of Global, to facilitate the orderly wind-up of Global's registrable business and operations, including the resignation of Global's IIROC membership and the voluntary surrender of Global's registration under applicable securities legislation; and

    (b) as a dealing representative of PI Financial, to provide services in relation to former clients of Global who become clients of PI Financial that are similar to the services he currently performs on behalf of Global and to provide other support to PI Financial after the Transaction Date.

18. Effective as of the Transaction Date, Global will cease its registrable activities and will not open any new client accounts. Following the Transaction Date, Global will notify IIROC and the BCSC of the completion of the Transaction, will continue with the steps required to complete the resignation of Global's IIROC membership and will submit an application for voluntary surrender of its registration under applicable securities legislation. Global expects to complete the wind-up of its registrable business and operations by January 2017.

19. Subject to the issuance of the Relief Sought, PI Financial will submit an application through the National Registration Database to register Mr. Smolensky as a dealing representative of PI Financial.

20. Mr. Smolensky will have sufficient time and resources to adequately meet his obligations to both Global and PI Financial.

21. The Filers have in place policies and procedures to address any conflicts of interest that may arise as a result of the Dual Registration. The limited activities of Global and Mr. Smolensky, on behalf of Global, should result in there being few, if any, conflicts of interest.

22. PI Financial has compliance and supervisory policies and procedures in place to monitor the conduct of its representatives, including Mr. Smolensky, and to ensure that PI Financial can deal appropriately with any conflicts of interest that may arise.

23. PI Financial will supervise the activities that Mr. Smolensky will conduct on behalf of Global in the same way it does other outside business activities of its registered individuals, including by holding meetings regularly with him and by obtaining regular status reports from him.

24. In the absence of the Relief Sought, PI Financial would be prohibited under section 4.1(1)(a) of NI 31-103 from permitting Mr. Smolensky to act as a dealing representative of PI Financial while also acting as a director and an officer of Global.

Decision

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

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

1. the circumstances described above remain in place, and

2. the Relief Sought shall expire on the earlier of the following:

   (a) one year after the date hereof; and

   (b) on the date that the registration of Global is surrendered or terminated.

"Mark Wang"
Director, Capital Markets Regulation
British Columbia Securities Commission

2.1.4 Sprott Asset Management LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the investment fund conflict of interest investment restrictions in securities legislation to permit related pooled funds to invest in underlying pooled funds managed by a third party investment fund manager, subject to conditions.

Applicable Legislative Provisions

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

September 27, 2016

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

AND

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

AND

IN THE MATTER OF
SPROTT ASSET MANAGEMENT LP
(the Filer)

AND

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

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of Sprott Private Credit Trust II (the **Initial Top Fund**) and any other future investment fund which is not a reporting issuer under the securities legislation of the principal regulator (the **Legislation**) which may be established and managed by the Filer from time to time (the **Future Top Funds**, and together with the Initial Top Fund, the **Top Funds**), which invests its assets in Third Eye Capital Alternative Credit Trust (the **Initial Underlying Fund**) or any other investment fund which is not a reporting issuer under the Legislation and which may be established and managed by Third Eye Capital Inc. (the **Initial Underlying Fund Manager**), or another investment fund manager unrelated to the Filer, from time to time (the **Future Underlying Funds**, and together with the Initial Underlying Fund, the **Underlying Funds**), for a decision under the Legislation exempting the Filer and the Top Funds from the restrictions in the Legislation which prohibit:

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

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

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

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

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

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

Interpretation

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

Representations

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

The Filer

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

2. The Filer is registered in Ontario as an investment fund manager, adviser in the category of portfolio manager and dealer in the category of exempt market dealer under the Act and as a commodity trading manager under the *Commodity Futures Act* (Ontario). The Filer is also registered as an investment fund manager, portfolio manager and exempt market dealer under the securities legislation of Newfoundland and Labrador, as an investment fund manager and exempt market dealer under the securities legislation of Quebec, and as a portfolio manager and exempt market dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Nova Scotia.

3. The Filer is the investment fund manager of the Initial Top Fund and will be the investment fund manager of the Future Top Funds.

4. The Filer is the portfolio manager for the Initial Top Fund and has complete discretion to invest and reinvest the assets of the Initial Top Fund, and is responsible for executing all portfolio transactions while being subject to applicable securities laws. The portfolio manager of a Future Top Fund may be the Filer, but if it is not the Filer, the portfolio manager or Sub-Advisor (as defined below) of a Top Fund will be a third party entity, unrelated to the Filer, holding the appropriate adviser registration or exemption from adviser registration and will meet the due diligence criteria established by the Filer for third party portfolio managers.

5. The Filer may also act as a distributor of the securities of the Top Funds not otherwise sold through another registered dealer.

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

Top Funds

7. The Initial Top Fund is an investment trust established under the laws of Ontario. The Future Top Funds will be open-ended mutual funds that are structured as trusts, limited partnerships or corporations under the laws of Ontario or another jurisdiction of Canada.

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

9. The assets of each Top Fund (only if such Top Fund holds securities other than securities of an Underlying Fund) will be held by an entity that meets the qualifications of section 6.2 of NI 81-102 *Investment Funds* (**NI 81-102**) (for assets held in Canada) or an entity that meets the qualifications of section 6.3 of NI 81-102 (for assets held outside Canada).

10. Each of the Top Funds is, or will be, a “mutual fund” as defined in securities legislation of the jurisdictions in which the Top Funds are distributed.

11. The Initial Top Fund intends to initially invest substantially all of its assets in the Initial Underlying Fund. A Future Top Fund may invest substantially all of its assets in the Initial Underlying Fund, any Future Underlying Fund, or any combination of both.

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

Underlying Funds

13. The Initial Underlying Fund is a trust established under the laws of Ontario. The Future Underlying Funds will be structured as trusts, limited partnerships or corporations under the laws of Ontario, another jurisdiction of Canada or a foreign jurisdiction.

14. The Initial Underlying Fund Manager acts as the investment fund manager and portfolio manager of the Initial Underlying Fund. It is unknown at this time who will be the investment fund manager and/or portfolio manager of the Future Underlying Funds, however, each Future Underlying Fund will be managed by a third party investment fund manager that is, or will be, unrelated to the Filer and which will meet the due diligence criteria established by the Filer for third party investment fund managers as described in paragraph 30 below with respect to the Underlying Funds.

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

16. The securities of the Initial Underlying Fund are sold solely to investors in Canada pursuant to exemptions from the prospectus requirements in accordance with NI 45-106 or the Legislation.

17. The assets of the Initial Underlying Fund are held by RBC Investor Services Trust. The assets of the Future Underlying Funds will be held by an entity that meets the qualifications of section 6.2 of NI 81-102 (for assets held in Canada) or an entity that meets the qualifications of section 6.3 of NI 81-102 (for assets held outside Canada).

18. Each of the Underlying Funds is, or will be, a "mutual fund" as defined in securities legislation of the jurisdictions in which the Underlying Funds are distributed.

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

20. None of the Underlying Funds will be a reporting issuer in any jurisdiction of Canada.

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

Fund-on-Fund Structure

22. The Filer currently delegates its portfolio manager responsibilities in respect of Sprott Private Credit Trust, another investment fund managed by the Filer, to the Initial Underlying Fund Manager as sub-advisor. The Filer wishes to similarly benefit from the expertise of the Initial Underlying Fund Manager in respect of the Initial Top Fund, but through a fund-of-fund strategy.

23. Initially, the Initial Top Fund intends to invest substantially all of its assets in securities of the Initial Underlying Fund. The Initial Top Fund may cease to allocate 100% of its assets to investing in the Initial Underlying Fund and instead allocate all or some of its investments to one or more other Underlying Funds or invest directly in a portfolio of securities, depending upon the Filer's view of the best method by which to obtain the desired investment exposure from the best portfolio manager for the asset class, as identified by the Filer from time to time. A Future Top Fund may invest its assets in the Initial Underlying Fund, any Future Underlying Fund, or any combination of both.

24. The Top Funds allow investors to obtain exposure to the investment portfolios of the Underlying Funds and their respective investment strategies through direct investments by the Top Funds in securities of the Underlying Funds (the **Fund-on-Fund Structure**).

25. The purpose of the Fund-on-Fund Structure is to provide an efficient and cost-effective manner of pursuing portfolio diversification on behalf of the Top Funds rather than through the direct purchase of securities. Managing a single pool of assets provides economies of scale and will allow the Filer to meet the investment objective of each Top Fund in the most efficient manner.

26. The Fund-on-Fund Structure seeks to provide access to managers the Filer views as best-in-class at superior pricing than the pricing a client would obtain on its own.

27. The Filer will use the Fund-on-Fund Structure to invest the Top Funds in Underlying Funds that are managed by investment fund managers that are unrelated to the Filer. For example, the Initial Top Fund will invest its assets in the Initial Underlying Fund managed by the Initial Underlying Fund Manager, Third Eye Capital Inc. which is unrelated to the Filer.

28. The Filer proposes to operate the Top Funds under a "manager of managers" structure whereby the Filer will either invest the Top Funds in Underlying Funds (that are, or will be, managed by a third party investment fund manager)

and/or appoint various third party sub-advisors to a Top Fund (each a **Sub-Advisor** and collectively, the **Sub-Advisors**) to assist in the management of the investment portfolios of the Top Funds. The structures that the Filer contemplates are outlined in paragraph 29 below.

29. There are two different Fund-on-Fund Structures that may be used by the Filer to invest the assets of a Top Fund:

    (a) Certain Top Funds will invest in only one Underlying Fund managed by a third party investment fund manager. This Fund-on-Fund Structure will be used where the Filer determines that the investment objective of a Top Fund is best achieved by investing in one Underlying Fund, either alongside other securities or not. Such Underlying Fund may be changed to one or more other Underlying Funds, depending on whether the Filer concludes that different Underlying Funds would better achieve the investment objective of the Top Fund. The amounts invested from time to time in any Underlying Fund by one or more Top Funds may exceed 20% of the outstanding voting securities of the Underlying Fund.

    (b) Certain Top Funds will invest in more than one Underlying Fund, each of which is managed by a third party investment fund manager. This Fund-on-Fund Structure will be used where the Filer determines that the investment objective of the Top Fund is best achieved through exposure to different investment styles and broader diversification provided by investing in multiple Underlying Funds, either alongside other securities or not. One or more of such Underlying Funds may be changed to other Underlying Funds from time to time, depending on whether the Filer concludes that different Underlying Funds would better achieve the investment objective of the Top Fund. The amounts invested from time to time in any Underlying Fund by one or more Top Funds may exceed 20% of the outstanding voting securities of the Underlying Fund.

30. The Filer selects Underlying Funds and their investment fund managers, and Sub-Advisors to a Top Fund, from a universe of potential opportunities by utilizing a selection process which evaluates information across several key categories including asset class, loan underwriting methodology, target borrowers, target geography, industry focus, management, operations and control processes, loan loss history, market position, investment staff, investment process, investment risk, performance, and terms and conditions.

31. The Filer will allocate assets of a Top Fund to third party investment fund managers as appropriate and consistent with the investment objectives of the relevant Top Fund. At the time of investment of a Top Fund in an Underlying Fund, the aggregate amount of assets directed to the third party investment fund manager of the Underlying Fund, across all Underlying Funds of such third party investment fund manager, will not represent more than 20% of the total assets under management of such third party investment fund manager in its overall asset management business.

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

33. When a Top Fund invests in one or more Underlying Funds, the Underlying Fund(s) will pay a management fee (and may pay an incentive fee) to its investment fund manager for services related to selecting investments for the Underlying Fund and administering the Underlying Fund. As a result, investors in the Top Fund indirectly will pay the management (and incentive) fee of the third party investment fund manager. This fee is for portfolio management and administrative services related to the Underlying Fund and its investments. It is not duplicative of the fee that investors are paying to the Filer for determining the overall asset allocation of the investor's portfolio.

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

35. The portfolio of the Initial Underlying Fund will consist of privately-negotiated senior secured loans, primarily to Canadian companies. The portfolio of Future Underlying Funds will consist primarily of asset-based loans and companies based primarily in Canada and/or the United States. An investment by a Top Fund in an Underlying Fund will be effected based on an objective net asset value (**NAV**) of the Underlying Fund.

36. Redemptions from the Initial Top Fund and the Initial Underlying Fund are permitted on a monthly basis. The Initial Top Fund and the Initial Underlying Fund will be valued on a monthly basis. Redemptions from the Future Top Funds are expected to be monthly. Valuation of the Future Top Funds is expected to occur on a monthly basis.

37. A Top Fund will have the same valuation and redemption dates as the Underlying Fund or Underlying Funds in which it invests.

38. No Underlying Fund will be a Top Fund.

39. Each Top Fund that invests substantially all its assets in Underlying Fund(s) will not be available for redemption on a valuation date where Underlying Fund(s) representing more than 10% of the NAV of the Top Fund are not available for redemption. In all cases, the Filer will manage the liquidity of the Top Funds having regard to the redemption features of the Underlying Fund(s) to ensure that it can meet redemption requests from investors of the Top Funds.

Generally

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

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

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

Decision

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

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

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

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

(c) at the time of the purchase of securities of an Underlying Fund by a Top Fund, the Underlying Fund holds not more than 10% of its NAV in securities of other investment funds unless the Underlying Fund:

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

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

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

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

(e) no sales or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund, except that a fee or deduction may be payable or incurred by a Top Fund provided the subscription or redemption relates to a corresponding subscription or redemption at the Top Fund level and the fee or deduction is flowed through to the subscribing or redeeming securityholder(s) of the Top Fund only;

(f) no fees or deductions are payable by investors in a Top Fund in relation to such investor's purchase or redemption of securities of such Top Fund that would duplicate a fee payable by the Top Fund in connection with its subscription or redemption of securities of an Underlying Fund;

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

(h) at the time of investment of a Top Fund in an Underlying Fund, the aggregate amount of assets directed to the third party investment fund manager of the Underlying Fund, across all Underlying Funds of such third party investment fund manager, will not represent more than 20% of the total assets under management of such third party investment fund manager in its overall asset management business;

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

a. that the Top Fund may purchase securities of the Underlying Fund(s);

b. that the Filer is the investment fund manager and portfolio manager of the Top Fund or, where the Filer is the portfolio manager of a Top Fund, the Filer may appoint a third party Sub-Advisor to a Top Fund which meets the Filer's due diligence criteria for third party portfolio managers, and that any Underlying Fund has, or will have, an investment fund manager that, in each case, is a third party entity, unrelated to the Filer, and which meets the due diligence criteria established by the Filer for third party investment fund managers;

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

d. the fees and expenses payable by the Underlying Fund(s) in which the Top Fund invests, including any incentive fees;

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

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

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Tim Moseley"
Commissioner
Ontario Securities Commission

2.1.5 Bell Canada

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from continuous disclosure requirements, certification requirements, audit committees requirements, corporate governance requirements and insider reporting requirements, subject to conditions. Company relies on the credit supporter exemption under section 13.4(2) of National Instrument 51-102 Continuous Disclosure Obligations. Voting securities to be issued to holders other than parent in connection with a Plan of Arrangement and will be acquired by parent of Company after a limited period. Technical relief granted for the limited period of time where the Company does not meet the conditions of paragraphs (a) and (c)(ii) of section 13.4(2) of National Instrument 51-102 Continuous Disclosure Obligations.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss 107, 121.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 10.1.
National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1.

[Translation]

September 16, 2016

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

AND

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

AND

IN THE MATTER OF
BELL CANADA
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") exempting the Filer or its insiders, as the case may be, from:

(i) the continuous disclosure requirements of *Regulation 51-102 respecting Continuous Disclosure Obligations* ("**Regulation 51-102**") (the "**Continuous Disclosure Requirements**");

(ii) the requirements of *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (the "**Certification Requirements**");

(iii) the requirements relating to audit committees of *Regulation 52-110 respecting Audit Committees* (the "**Audit Committees Requirements**");

(iv) the requirements relating to disclosure of corporate governance of *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* (the "**Corporate Governance Requirements**" and, together with the Continuous Disclosure Requirements, the Certification Requirements and the Audit Committees Requirements, the "**Information Requirements**"); and

(v) the requirements relating to insider reporting of *Regulation 55-104 respecting Insider Reporting Requirements and Exemptions* and, if applicable, any comparable requirement under the Legislation (the "**Insider Reporting Requirements**");

to accommodate the issuance of common or preferred shares (which would not represent "designated credit support securities" under Regulation 51-102) of the Filer ("**Bell Securities**") to the shareholders of Manitoba Telecom Services Inc. ("**MTS**"), which Bell Securities would be beneficially owned by MTS Shareholders pending their immediate transfer to BCE Inc. ("**BCE**"), all in accordance with a series of transactions contemplated under the Plan of Arrangement (as defined below).

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

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

(b) the Filer has provided notice that Subsection 4.7(1) of Regulation 11-102 – *Passport System* ("**Regulation 11-102**") is intended to be relied upon by the Filer in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the "**Passport Jurisdictions**"); and

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

Interpretation

Terms defined in Regulation 14-101 - *Definitions*, Regulation 51-102, and Regulation 11-102, including without limitation, "credit support issuer", "parent credit supporter", and "designated credit support securities", 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:

(a) The Filer is a corporation governed by the *Canada Business Corporations Act*.

(b) The head office of the Filer is located at 1 Carrefour Alexander Graham Bell, Tour A-8, Verdun, Québec, H3E 3B3.

(c) The Filer is a reporting issuer in all of the Jurisdictions and Passport Jurisdictions and is not in default of any requirement of the Legislation as a reporting issuer.

(d) the Filer has issued and has outstanding non-convertible debt securities (the "**Non-Convertible Debt Securities**") and is a credit support issuer.

(e) BCE, as parent credit supporter, fully and unconditionally guarantees the Non-Convertible Debt Securities of the Filer. BCE is not in default of any requirement of the Legislation as a reporting issuer.

(f) The Filer currently qualifies under the credit support issuer exemption and satisfies the conditions under subsection 13.4(2) of Regulation 51-102 (the "**Credit Support Issuer Exemption**"), including the following:

(i) the Filer does not have any securities outstanding other than (i) common shares held by BCE, (ii) the Non-Convertible Debt Securities which are designated credit support securities, and (iii) certain commercial paper representing "designated credit support securities" as defined in Section 13.4 of Regulation 51-102;

(ii) BCE is a reporting issuer in all of the provinces of Canada and has filed all documents it is required to file under Regulation 51-102;

(iii) the Filer files in electronic format a notice indicating that it is relying on the continuous disclosure documents filed by BCE and setting out where those documents can be found for viewing in electronic format;

(iv) the Filer files with such notice in electronic format, for the period covered by the consolidated interim financial report or consolidated annual financial statements filed by BCE, consolidating summary financial information for BCE presented with a separate column for (a) BCE, (b) the Filer, (c) any

other subsidiaries of BCE on a combined basis, (d) consolidating adjustments, and (e) total consolidated amounts;

(v) the Filer issues in Canada a news release and files a material change report in accordance with Part 7 of Regulation 51-102 for all material changes in respect of the affairs of the Filer that are not also material changes in the affairs of BCE;

(vi) no person other than BCE has provided a guarantee or alternative credit support for the payments to be made under any issued and outstanding securities of the Filer.

(g) On May 1, 2016, BCE and MTS entered into an arrangement agreement (the "**Arrangement Agreement**") pursuant to which BCE agreed to purchase all of the outstanding common shares of MTS ("**MTS Shares**") in accordance with and subject to the terms and conditions of the Arrangement Agreement and a plan of arrangement (the "**Plan of Arrangement**").

(h) Pursuant to the Plan of Arrangement, holders of MTS Shares ("**MTS Shareholders**") will be entitled to receive at each MTS Shareholder's election, for his, her or its MTS Shares, either: (i) $40.00 in cash per MTS Share, or (ii) 0.6756 of a common share of BCE (each, a "**BCE Share**") per MTS Share, subject to proration where MTS Shareholders collectively elect or are deemed to have elected, as applicable, more than the Maximum Cash Consideration (as defined in the Arrangement Agreement) or the Maximum Share Consideration (as defined in the Arrangement Agreement).

(i) Under the Plan of Arrangement, the share consideration ultimately received by the MTS Shareholders entitled to share consideration for their MTS Shares will be BCE Shares.

(j) To provide BCE with flexibility in structuring its acquisition of MTS Shares, BCE can opt to have MTS Shares acquired by a direct or indirect wholly-owned subsidiary of BCE. BCE intends to opt to have the Filer purchase the MTS Shares.

(k) In the context of this structure, in order to ensure that MTS Shareholders who receive BCE Shares under the Plan of Arrangement benefit from a tax rollover in respect of their MTS shares, the share consideration initially received by MTS Shareholders (subject to an exception in the case of an MTS Shareholder that is a registered plan) will be Bell Securities. Such Bell Securities will subsequently be transferred by MTS Shareholders to BCE in exchange for the number of BCE Shares that MTS Shareholders are entitled to receive pursuant to the Plan of Arrangement.

(l) Section 13.4(2) of Regulation 51-102 provides that, except as provided in that section, a credit support issuer satisfies the requirements of Regulation 51-102 if, amongst other things:

(i) the parent credit supporter is the beneficial owner of all the outstanding voting securities of the credit support issuer; and

(ii) the credit support issuer does not issue any securities, and does not have any securities outstanding, other than (a) designated credit support securities; (b) securities issued to and held by the parent credit supporter or an affiliate of the parent credit supporter; (c) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or (d) securities issued under exemptions from the prospectus requirement in section 2.35 of Regulation 45-106 – *Prospectus Exemptions* ("**Regulation 45-106**").

(m) The issuance of the Bell Securities to MTS Shareholders as part of the series of transactions provided for under the Plan of Arrangement would cause the Filer to not satisfy the conditions of the Credit Support Issuer Exemption for a limited period of time until the subsequent transfer of the Bell Securities by MTS Shareholders to BCE insofar as:

(i) BCE would not be the beneficial owner of all of the outstanding voting securities of the Filer (unless the Bell Securities are non-voting preferred shares), and

(ii) the Filer would have issued securities and would have securities outstanding that do not fall within any of the exceptions contemplated by Section 13.4(2)(c) of Regulation 51-102.

(n) The Bell Securities cannot be issued pursuant to the Plan of Arrangement without also subsequently being transferred to BCE.

Decision

The Decision Makers are satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

Exemptions From Information Requirements

The decision of the Decision Makers under the Legislation is that the exemption sought in respect of the Information Requirements is granted provided that:

a. the Filer continues to satisfy the conditions set out in subsection 13.4(2) of Regulation 51-102, except for the conditions under subsections 13.4(2)(a) and 13.4(2)(c);

b. the Filer does not have to comply with the requirement in section 13.4(2)(a) of Regulation 51-102 if any and all beneficial owners of the voting securities of the Filer other than the parent credit supporter receive such shares as consideration for their MTS Shares pursuant to the Plan of Arrangement and all such shares are subsequently and immediately transferred to the parent credit supporter as part of the Plan of Arrangement;

c. the Filer does not have to comply with the requirement in section 13.4(2)(c) of Regulation 51-102 if the Filer does not issue any securities, and does not have any securities outstanding, other than:

    i. designated credit support securities;

    ii. securities issued to and held by the parent credit supporter or an affiliate of the credit supporter;

    iii. securities issued and paid to persons other than the parent credit supporter as consideration for their MTS Shares pursuant to the Plan of Arrangement to be held for a limited period of time until the subsequent transfer of those securities to the parent credit supporter as part of the Plan of Arrangement;

    iv. debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

    v. securities issued under exemptions from the prospectus requirement in section 2.35 of Regulation 45-106.

d. on the effective date of the Plan of Arrangement, BCE is the beneficial owner of all of the outstanding voting securities of the Filer.

Exemption From Insider Reporting Requirements

The decision of the Decision Makers under the Legislation is that the exemption sought in respect of the Insider Reporting Requirements is granted provided that:

a. the Filer satisfies the conditions of the exemption in respect of the Information Requirements;

b. if the insider is not BCE, (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning BCE before the material facts or material changes are generally disclosed, and (ii) the insider is not an insider of BCE in any capacity other than by virtue of being and insider of the Filer;

c. if the insider is BCE, the insider does not beneficially own any “designated credit support securities”.

“Gilles Leclerc”
Superintendent, Securities Markets
Autorité des marchés financiers

2.1.6 Scougall Services Limited Partnership

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemptions granted from the prospectus and registration requirements in connection with distributions of units in a partnership to family trusts, subject to certain conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

September 23, 2016

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

AND

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

AND

IN THE MATTER OF
SCOUGALL SERVICES LIMITED PARTNERSHIP
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the issuance by the Filer of limited partnership units (**Units** and individually, a **Unit**) to Family Trusts (defined below) shall not be subject to the registration and prospectus requirements of the Legislation (the **Requested Relief**).

The Filer obtained a ruling from the principal regulator dated December 21, 2012 (the **2012 Decision**) exempting the distribution of Units from the registration and prospectus requirements of the Legislation.

The Filer seeks a further decision under the Legislation to revoke the 2012 Decision effective upon the granting of the Requested Relief.

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

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

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

Interpretation

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

Representations

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

1. Cassels Brock & Blackwell LLP (**CBB**) is a limited liability partnership of lawyers established under the laws of Ontario with offices in Toronto, Vancouver, and Calgary. As at September 9, 2016 CBB had approximately 107 partners (collectively, **Partners**, and individually, a **Partner**).

2. The Filer is a limited partnership established under the laws of Ontario for the primary purpose of providing secretarial, accounting, administrative, marketing, technology, financial and other services and leasing certain assets to CBB pursuant to a services agreement entered into between the Filer and CBB.

3. The Filer is not a reporting issuer in any jurisdiction in Canada, and has no present intention of becoming a reporting issuer in any jurisdiction in Canada. The Filer is not in default of securities legislation in any jurisdiction in Canada.

4. The general partner of the Filer is Scougall Management (1987) Limited (the **General Partner**), a corporation incorporated under the Business Corporations Act (Ontario), the sole beneficial shareholder of which is CBB.

5. The Filer will issue Units from time to time only to trusts (collectively, the **Family Trusts**, and individually, a **Family Trust**) established for the benefit of Eligible Beneficiaries, being:

   (a) an individual who is either

      i. an individual Partner, or

      ii. an individual who is the sole voting shareholder of a Professional Corporation (defined below) that is a Partner

      (such individual being the **Eligible Person**);

   (b) an individual who

      i. is the spouse of the Eligible Person, or

      ii. cohabits with the Eligible Person and has lived with the Eligible Person in a relationship akin to a conjugal relationship for a period of not less than two (2) years

      (such individual being the **Qualified Spouse**);

   (c) the living issue of the Eligible Person or of the Qualified Spouse of the Eligible Person;

   (d) the parents of the Eligible Person or of the Qualified Spouse of the Eligible Person;

   (e) the grandparents of such Eligible Person or of the Qualified Spouse of such Eligible Person;

   (f) the siblings of the Eligible Person or of the Qualified Spouse of the Eligible Person; and

   (g) the nieces and nephews of such Eligible Person or of the Qualified Spouse of the Eligible Person.

6. A **Professional Corporation** is a corporation incorporated or continued under the laws of a province of Canada which holds, where required, a valid permit or licence to practice its profession in such province and all of the voting shares of which are held by an individual lawyer who, but for the substitution of such corporation, would be a Partner.

7. Each Eligible Person's Family Trust is, or will be, a discretionary trust and shall, when it acquires a Unit and/or for so long as it holds such Unit, have one or more trustees, one of whom shall be the Eligible Person.

8. All Units have been, and will be, issued to Family Trusts for a subscription price of $100.

9. No beneficiary of the Family Trust, other than the Eligible Person and any other Eligible Beneficiary who may be a trustee, has been, or will be, involved in making any investment decision of the Family Trust in respect of the Units.

10. The Family Trust of an Eligible Person has not been and will not be induced to subscribe for a Unit by expectation of employment or continued employment of the Eligible Person.

11. Units of the Filer are not and will not be transferable except where a Family Trust ceases to be a limited partner of the Filer, in which case the Unit held by such Family Trust will be redeemed by the Filer at a redemption price of $100 per

Unit plus the amount of any accrued and undistributed income in respect of such Unit as of the date of the redemption and thereafter cancelled by the Filer. As a result, no market has developed, or will develop, for the resale of the Units.

12. The Limited Partnership Agreement provides that a Family Trust shall cease to be a limited partner of the Filer in the event that (i) the Family Trust has one or more beneficiaries who are not Eligible Beneficiaries; (ii) the Family Trust purports to transfer the Unit held by it; or (iii) the General Partner, in its sole discretion, so determines and such determination has not been revoked by a resolution of the limited partners of the Filer within thirty (30) days thereafter.

13. CBB provides the Partners with annual audited financial statements not later than 120 days after the end of its financial year.

14. Each limited partner of the Filer has been, and will be, provided with audited annual financial statements of the Filer on or before March 31 of each year.

Decision

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

The decision of the principal regulator under the Legislation is that:

1. The Requested Relief is granted, provided that:

   (a) the Units are not transferrable, assignable or otherwise disposable except in the circumstances described in paragraphs 11 and 12 above; and

   (b) prior to the issuance of Units to a Family Trust, the Filer will deliver to the trustee(s) of the applicable Family Trust:

      i. a copy of this ruling;

      ii. the most recent financial statements of the Filer; and

   (c) prior to the issuance of Units to a Family Trust, the Filer will obtain from the trustee(s) on behalf of the applicable Family Trust:

      i. a written statement acknowledging receipt of a copy of this ruling and the above-noted financial statements and the trustee(s) understanding that the protections of the Legislation, including right to rescission, to make claims for damages and receive continuous disclosure, are not available to the Family Trust in respect of the Units; and

      ii. a representation to the Filer that no beneficiary of the Family Trust other than an Eligible Person or Qualified Spouse and/or the adult children of such Eligible Person or Qualified Spouse (i) has or will directly or indirectly contribute money or other assets to such Family Trust, (ii) is or will be liable for any loan or form of financing obtained by the Family Trust, or (iii) is or will be involved in making investment decisions by the Family Trust, except to the extent such beneficiary is a trustee.

2. The 2012 Decision is revoked.

“William J. Furlong”
Commissioner
Ontario Securities Commission

“Anne Marie Ryan”
Commissioner
Ontario Securities Commission

2.1.7 Royal Bank of Scotland plc and National Westminster Bank plc

Headnote

OSC Rule 91-507 – derivatives trade reporting obligations – Applicants seeking relief from requirements relating to the reporting of certain counterparty information – relief granted, subject to conditions, for a period of one year from the date of the decision.

Applicable Legislative Provisions

OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, Parts 3 and 6.

September 28, 2016

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, QUEBEC AND MANITOBA
(THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
THE ROYAL BANK OF SCOTLAND PLC
AND
NATIONAL WESTMINSTER BANK PLC
(THE APPLICANTS)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from the Applicants for an order in Québec pursuant to section 86 of the *Derivatives Act* (Québec), RLRQ, c. I-14.01, in Ontario pursuant to Part 6 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, and in Manitoba pursuant to Part 6 of MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting*, requesting relief (the "**Exemptive Relief Sought**") from the following derivatives data reporting requirements, arising in relation to new and existing transactions under Chapter 3 of the Autorité des marchés financiers' *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting*, Part 3 of OSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* and Part 3 of the MSC Rule 91-507 – *Trade Repositories and Derivatives Data Reporting* (the "**Local Reporting Provisions**"):

(a) the requirement for a reporting counterparty to report, update, amend or supplement (collectively, "**Report**") the Legal Entity Identifier ("**LEI**") of a transaction counterparty where such reporting could result in the reporting counterparty breaching laws applicable in either the reporting counterparty's or the transaction counterparty's own jurisdiction that prohibit, restrict or limit the disclosure of information relating to the transaction or to a counterparty or that require the transaction counterparty's consent to such disclosure in circumstances where such consent has not been obtained, or where such consent is not sufficient to override such prohibition, restriction or limitation;

(b) the requirement for a reporting counterparty to Report (i) Intra-Day Life-Cycle Event Data, and (ii) the "master agreement type" and "master agreement version" data fields, where the reporting counterparty has not established reporting systems and procedures that are sufficient to enable it to Report such information; and

(c) the requirement for a reporting counterparty to Report certain information (as more fully described below) related to or dependent on a transaction counterparty, which information has not been provided to the reporting counterparty by the transaction counterparty or has not otherwise been obtained by the reporting counterparty at the time of Reporting.

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

1. the Ontario Securities Commission (the "**OSC**") is the Principal Regulator for the application; and

2. the decision is the decision of the Principal Regulator and evidences the decision of each other Decision Maker.

Interpretation

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

For the purposes of this decision the following terms have the meanings defined below:

"Blocking Law" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would restrict or limit a subject person's disclosure of information relating to a Subject Transaction or to the counterparty of a Subject Transaction.

"Consent Requirement" means any statute, law, enactment, rule, order, judgement, practice, guideline or decree that would require a counterparty to a Subject Transaction to consent to a subject person's disclosure of information relating to a Subject Transaction or counterparty.

"Expired Trade" means a FX Transaction which has either matured, terminated or been novated or assigned such that there are no outstanding obligations thereunder as of August 31, 2016.

"FX Transaction" means all foreign exchange transactions that are Subject Transactions.

"Go Live Date" means, in respect of FX Transactions other than foreign exchange options ("**FX Options**"), February 22, 2015 and, in respect of FX Options, April 19, 2015, in each case, representing the date on which the Applicant began using its revised trade reporting system to report such transactions under European regulations.

"Intra-Day Life-Cycle Event Data" means, in respect of a transaction where one or more life-cycle events in relation to the transaction occur on the same day, all life-cycle event data occurring on such day other than the data relating to the last life-cycle event on that day.

"Reportable Event" means, in respect of a FX Transaction, any event or amendment that represents a change in the Applicant's front office systems which triggers a trade report to be sent to the designated trade repository.

"Subject Transaction" means a transaction that is subject to Reporting in accordance with the applicable Local Reporting Provisions.

"Trade Specific Requirement" means a requirement arising under a Blocking Law or in connection with a Consent Requirement that would require that steps be taken to comply therewith in connection with and at the time of a Subject Transaction, on a transaction by transaction basis.

"Quarterly Compliance Report" means a report substantially in the form attached to this decision as "Exhibit A".

Representations

The Applicants have made the following representations:

1. The Royal Bank of Scotland plc ("**RBS**") is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc ("**RBS Group**") and National Westminster Bank plc ("**NatWest**") is a wholly-owned subsidiary of RBS.

2. RBS Group is a large banking and financial services operation that is ultimately controlled by the government of the United Kingdom ("**UK**") acting through HM Treasury, the UK government's economic and finance ministry, and primarily conducting its operations through RBS and NatWest;

3. RBS is a full service foreign bank branch under the *Bank Act* (Canada) that carries on business in Canada under the name The Royal Bank of Scotland plc, Canada Branch ("**Canada Branch**") and, as such, is listed in Schedule III of the *Bank Act* (Canada);

4. the principal office of Canada Branch is located in Toronto, ON;

5. Canada Branch is currently engaged in the process of winding down and closing its full service foreign bank branch operations in Canada subject to the approval of the Office of the Superintendent of Financial Institutions;

6. NatWest is incorporated in England and Wales and its head office is located in London, England;

7. RBS conducts its global over-the counter ("**OTC**") derivatives operations from its four core trading hubs located in London, Stamford, Singapore and Tokyo and does not engage in any OTC derivatives transactions through Canada Branch;

8. NatWest's global markets business trades and sells OTC derivatives transactions primarily from the UK for its existing UK client base. A limited number of trades take place between NatWest and Canadian subsidiaries of entities that bank with NatWest. NatWest has no Canadian offices;

9. on October 29, 2014, the OSC and the Manitoba Securities Commission, and on October 30, 2014, the Autorité des marchés financiers, each published a press release (collectively, the "**Press Releases**") to, among other things, provide guidance on the situation where a reporting counterparty may be required to Report a transaction counterparty's LEI despite the fact that such LEI has not been obtained by the transaction counterparty or provided by the transaction counterparty to a reporting counterparty;

10. to the extent that the Press Releases provide guidance in relation to compliance matters pertaining to a transaction counterparty's failure to obtain an LEI or to provide its LEI to the Applicants, the Applicants intend to reflect their understanding of such guidance in complying with the applicable Local Reporting Provisions;

11. the Applicants have established or procured internal technology, systems and procedures that the Applicants believe should enable them to give effect to the Local Reporting Provisions, with the exception of the ability to Report (a) Intra-Day Life-Cycle Event Data, and (b) data fields requiring completion of the master agreement type/master agreement version relating to a transaction;

12. in order to comply with the Local Reporting Provisions applicable to a transaction, the Applicants may need to: (a) if required by applicable law, obtain a consent from the counterparty to enable the reporting counterparty to disclose information relating to the transaction or counterparty, and (b) receive certain counterparty-specific information, including the counterparty's LEI (or its equivalent), or information sufficient to enable the Applicants to determine whether the counterparty is a local counterparty (collectively, in respect of a counterparty to a transaction, the "**Required Counterparty Feedback**");

13. the Applicants have engaged in diligent efforts to solicit Required Counterparty Feedback through direct client outreach and through industry efforts; however, despite these efforts, many of the Applicants' Canadian counterparties have not provided some or all of the Required Counterparty Feedback;

14. a failure to provide the Exemptive Relief Sought could result in inconsistent or disrupted reporting of derivatives data by the Applicants, or in the Applicants not entering into new derivatives transactions with affected transaction counterparties, all of which could potentially have negative implications for the Applicants, the Canadian financial system and the broader Canadian economy;

15. if the Exemptive Relief Sought is granted, the Applicants will continue to make diligent efforts to obtain the Required Counterparty Feedback; and

16. the Applicants are not in default of securities legislation in any jurisdiction.

Decision

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

The decision of the Decision Makers is that the Exemptive Relief Sought is granted and each Decision Maker orders that, in respect of each Subject Transaction:

1. Relief related to Blocking Laws – Each Applicant is exempted from the Reporting of creation data under Reporting requirements contained in sections 26, 27(a), 28, 31, 32, 34 and 35 of the Local Reporting Provisions (collectively, the "**Reporting Provisions**") only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

(A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Blocking Law; or

(B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Blocking Law,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Blocking Law, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and delivers to the OSC no later than 45 days after the end of each quarter, Quarterly Compliance Reports setting out (x) a list of all jurisdictions that it reasonably determines are subject to an applicable Blocking Law; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Blocking Law exists;

(iii) makes diligent efforts to determine whether Blocking Laws exist in the jurisdiction where its transaction counterparty is located; and

(iv) makes diligent efforts, where required, to correct any Reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which the Applicant becomes aware that any previously applicable Blocking Law no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

2. Relief Related to Consent Requirements – Each Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Identifier of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

(A) the Applicant determines that its transaction counterparty or the Subject Transaction is subject to a Consent Requirement that has not been provided by the transaction counterparty to the Applicant; or

(B) the Applicant has yet to determine, or having used reasonable efforts has been unable to determine, if its transaction counterparty or the Subject Transaction is subject to a Consent Requirement,

provided that the Applicant:

(i) either (x) reports an internal identifier code for its transaction counterparty or (y) if the Applicant has all necessary processes in place to internally identify its transaction counterparty and it is not feasible or not practical for the Applicant to Report an internal identifier code for the transaction counterparty in compliance with the applicable Consent Requirement, reports that the LEI of the transaction counterparty is undisclosed;

(ii) prepares and delivers to the OSC no later than 45 days after the end of each quarter, Quarterly Compliance Reports setting out (x) a list of all jurisdictions that it reasonably determines are jurisdictions in which an applicable Consent Requirement exists; and (y) a list of jurisdictions in respect of which the Applicant has yet to determine, or using reasonable efforts has been unable to determine, if an applicable Consent Requirement exists;

(iii) makes diligent efforts to obtain any required consent from the transaction counterparty, other than any consent that would arise in connection with a Trade Specific Requirement; and

(iv) makes diligent efforts, where required, to correct any Reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after all consents required to

satisfy a Consent Requirement in relation to the Subject Transaction have been obtained by the Applicant,

and provided further that the foregoing exemption will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the later of (x) the date on which the transaction counterparty has provided the Applicant with all such required consents and (y) the date on which the Applicant becomes aware that any previously applicable Consent Requirement no longer applies to limit or restrict the Applicant's disclosure of information relating to the Subject Transaction or the transaction counterparty.

3. Required Counterparty Feedback – Each Applicant is exempted from the Reporting of creation data under the Reporting Provisions only to the extent that the Applicant would be required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Jurisdiction of non-reporting counterparty" in respect of a Subject Transaction, in the following circumstances:

   (A) Counterparty Status as a Local Counterparty – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty is a "local counterparty" under the Local Reporting Provisions of the Jurisdiction, provided that the Applicant reports the Subject Transaction to the jurisdiction in which the Applicant has its principal place of business and, if reasonably practicable, makes diligent efforts to use the information from its own systems to Report the Subject Transaction in the transaction counterparty's jurisdiction, in each case if and to the extent it is reportable by the Applicant in such jurisdiction; or

   (B) Existence of a Guaranteed Affiliate – if the transaction counterparty has not provided the Applicant with Required Counterparty Feedback sufficient to enable the Applicant to determine if the transaction counterparty has an affiliate that is organized under the laws of the Jurisdiction or that has its head office or principal place of business in the Jurisdiction and that is responsible for the liabilities of the transaction counterparty (a "**Guaranteed Affiliate**"), provided that the Applicant otherwise reports the Subject Transaction if the transaction counterparty is otherwise a "local counterparty" under the Local Reporting Provisions,

   provided that the Applicant:

   (i) prepares and delivers to the OSC no later than 45 days after the end of each quarter, Quarterly Compliance Reports setting out its efforts to obtain Required Counterparty Feedback; and

   (ii) makes diligent efforts, where required, to correct any Reporting it has made in relation to the Subject Transaction in reliance on the foregoing exemptions on a timely basis after Required Counterparty Feedback has been obtained,

   and provided further that the foregoing exemptions will continue to apply in respect of the Subject Transaction during a period of up to 3 months following the date on which previously unknown or unavailable Required Counterparty Feedback has been provided to the Applicant by the transaction counterparty.

4. Master Agreement Type/Master Agreement Version – Each Applicant is exempted until July 29, 2016 from the Reporting of creation data under the Reporting Provisions but only to the extent that the Applicant is required to Report the creation data contemplated in Appendix A of the applicable Local Reporting Provisions under "Master agreement type" and "Master agreement version" in respect of a FX Transaction, provided that the Applicant makes diligent efforts to correct any Reporting it has made in relation to the FX Transaction in reliance on this exemption on a timely basis but no later than January 31, 2017, subject to the Relief Related to Corrective Reporting that is set out in paragraph 6 below.

5. Relief Related to Intra-day Life-Cycle Event Data – Each Applicant is exempted until July 29, 2016 from the Reporting of Intra-Day Life-Cycle Event Data under the Reporting Provisions in respect of a FX Transaction, provided that the Applicant makes diligent efforts to Report all such Intra-Day Life-Cycle Event Data not previously Reported in reliance on this exemption on a timely basis but no later than January 31, 2017, subject to the Relief Related to Corrective Reporting that is set out in paragraph 6 below.

6. Relief Related to Corrective Reporting – Each Applicant is exempted from the corrective Reporting of Intra-Day Life-Cycle Event Data and "Master agreement type" and "Master agreement version" data fields under the Reporting Provisions in respect of a FX Transaction that:

   (i) is an Expired Trade, but only in respect of Reportable Events occurring before the Go Live Date;

(ii) is not an Expired Trade and has a trade date before the applicable Go Live Date, but only in respect of Reportable Events occurring before the Go Live Date.

7. Effectiveness of the Order – The exemptions provided pursuant to paragraphs 1, 2 and 3 shall cease to be available 1 year after the date hereof.

"Kevin Fine"
Director, Derivatives Branch
Ontario Securities Commission

Exhibit A

Form of Quarterly Compliance Report

(a) Definitions

Counterparty: A counterparty for the purposes of this compliance report is any counterparty to a derivative transaction that is principal (not agent) to the derivative (e.g. where a fund manager executes transactions on behalf of a number of underlying funds, each fund should be included in the compliance rate calculation).

All Counterparties: Counterparties to transactions reportable under Regulation /Rule 91-507 -Trade Repositories and Derivatives Data Reporting (91-507).

New Counterparties: Counterparties to transactions reportable under 91-507 that were entered into at any time during the relevant period but with whom the reporting counterparty had previously never entered into a reportable transaction.

Compliant Counterparties: Counterparties who have provided the Required Counterparty Feedback (as defined in the Exemptive Relief) to enable the reporting counterparty to meet its obligations under 91-507. This would include the counterparty's consent (if required by applicable law), the counterparty's LEI, the broker LEI (if applicable), and information to determine whether it is a local counterparty.

(b) Compliance Progress

Please see Appendix A.

(c) Consent Requirement & Blocking Law Jurisdictions

Please provide, at a minimum, the information below.

List of Consent Requirement (as defined in the Exemptive Relief) jurisdictions; please highlight jurisdictions added or removed since last report	●
List of Blocking Law (as defined in the Exemptive Relief) jurisdictions; please highlight jurisdictions added or removed since last report	●
List of Blocking Law or Consent Requirement jurisdictions not yet determined; please highlight jurisdictions added or removed since last report	●

(d) Efforts to Obtain Required Counterparty Feedback

Please provide information regarding your efforts to obtain the Required Counterparty Feedback.

Please provide information regarding efforts to obtain the Required Counterparty Feedback from New Counterparties and describe internal policies regarding acceptance of New Counterparties that are not Compliant Counterparties.

Please provide information regarding efforts to obtain Required Counterparty Feedback from existing non-compliant Counterparties.

Please provide information regarding efforts to correct any reporting made in relation to a transaction after Required Counterparty Feedback has been obtained; including the time required to backload and report the Required Counterparty Feedback once the previously unavailable information has been obtained.

(e) Any Additional Information

Please provide any additional information that would assist in explaining the rates of non-compliance. For example, compliance rates may be affected by the type of counterparty (e.g. sophistication, institutional vs. retail/commercial), geographic location of counterparty, or asset class (e.g. foreign exchange).

Please provide any other additional information you believe would assist in improving our understanding of the obstacles to full compliance.

Appendix A: Compliance Progress

	Canadian Counterparties				Foreign Counterparties			
	Q1 2017	Q2 2017	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2016	Q4 2016
All Counterparties								
All Counterparties as at end of period		•	•	•		•	•	•
All Compliant Counterparties as at end of period		•	•	•		•	•	•
Compliance rate as at end of period		•	•	•		•	•	•
Blocking Laws & Consent Requirements								
Number of reportable transactions with identifiers masked as the result of Blocking Laws or Consent Requirements (as defined in the Exemptive Relief)						•	•	•

2.1.8 Alcoa Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus requirements for a spin-off transaction by a U.S. publicly traded company to investors by issuing shares of spun-off entity – Distribution not covered by legislative exemptions – There is no market for the securities of the issuer in Canada – SpinCo will become a U.S. publicly traded company – The number of Canadian participants and their share ownership are *de minimis* – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-106 Prospectus Exemptions, s. 2.31.
National Instrument 45-102 Resale of Securities, s. 2.6 and 2.14.

TRANSLATION

September 23, 2016

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

AND

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

AND

IN THE MATTER OF
ALCOA INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption (the "**Exemption Sought**") from the prospectus requirements contained in the Legislation in connection with the proposed distribution (the "**Spin-Off**") by the Filer of the shares of common stock of a newly formed company to be renamed "Alcoa Corporation" ("**SpinCo**"), a direct wholly-owned subsidiary of the Filer, by way of a distribution *in specie* to holders ("**Filer Shareholders**") of shares of common stock of the Filer ("**Filer Shares**") resident in Canada ("**Filer Canadian Shareholders**").

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

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

(b) the Filer has provided notice that section 4.7(1) of *Regulation respecting Passport System* (**Regulation 11-102**) is intended to be relied upon in each of the other jurisdictions of Canada, other than Ontario; and

(c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, *Regulation 45-106 respecting Prospectus Exemptions* ("**Regulation 45-106**") and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation incorporated in Pennsylvania with principal executive offices in New York, New York, U.S.A. The Filer is a global company specializing in the engineering and manufacturing of lightweight metals including bauxite, alumina and aluminum, and the production of value-added cast and rolled products.

2. The Filer is not a reporting issuer and, currently, has no intention of becoming a reporting issuer under the securities legislation of any jurisdiction of Canada.

3. The authorized capital of the Filer consists of 660,000 shares of Serial Preferred Stock (par value U.S.$100 per share), 10 million shares of Class B Serial Preferred Stock (par value U.S.$1 per share), and 1.8 billion Filer Shares (par value U.S.$1 per share). As of August 3, 2016, there were 546,024 shares of Serial Preferred Stock, 2,500,000 shares of Class B Serial Preferred Stock and 1,315,379,801 Filer Shares outstanding. The Filer currently expects to hold a special meeting of shareholders prior to the Spin-Off to seek approval of a reverse stock split of the Filer Shares at a ratio of one-for-three and a proportionate reduction in the number of authorized Filer Shares to 600 million. The proportionate equity interests or voting rights of Filer Shares will not change as a result thereof, subject to cash payments being made in lieu of fractional shares.

4. Filer Shares are listed on the New York Stock Exchange (the "**NYSE**") and trade under the symbol "AA"; Depositary Shares representing a 1/10th ownership interest in a share of Class B Serial Preferred Stock are listed on the NYSE and trade under the symbol "AA.PRB"; $3.75 Cumulative Preferred Stock (being a series of the Serial Preferred Stock) are listed on the NYSE MKT under the symbol "AA-P"; and Chess Depositary Interests representing Filer Shares are listed on the Australian Securities Exchange ("**ASX**") under the symbol "AAI." Other than the foregoing listings on the NYSE, NYSE MKT and ASX, no securities of the Filer are listed or posted for trading on any exchange or market in Canada or outside of Canada. The Filer has no present intention of listing its securities on any Canadian stock exchange.

5. The Filer is subject to the 1934 Act and the rules, regulations and orders promulgated thereunder.

6. Based on a report provided by Computershare Investor Services LLC (the Filer's transfer agent), as of August 3, 2016, there were 74 registered Filer Canadian Shareholders holding 33,151 Filer Shares, representing approximately 0.395% of the registered shareholders of the Filer worldwide and holdings of approximately 0.0025% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

7. Based on a "Geographic Survey" of beneficial shareholders prepared for the Filer by Broadridge Financial Services, Inc., as of August 3, 2016, there were 15,697 beneficial Filer Canadian Shareholders, representing approximately 3.220% of the beneficial holders of Filer Shares worldwide, holding approximately 37,816,486 Filer Shares, representing approximately 2.875% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

8. Based on the information above, the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders are *de minimis*.

9. The Filer is proposing to spin off its global upstream businesses, including its global primary products (bauxite, alumina, aluminum, cast products and energy) business units as well as certain rolling business operations (the "**SpinCo Business**") into a newly formed independent company, SpinCo, through a series of transactions. These transactions are expected to result in the Spin-Off by the Filer, *pro rata* to its shareholders, of at least 80.1% of the outstanding common stock of SpinCo ("**SpinCo Shares**").

10. SpinCo is a Delaware corporation with principal executive offices in New York, New York, U.SA. It is currently a direct wholly-owned subsidiary of the Filer and, at the time of the Spin-Off, will hold the Filer's SpinCo Business.

11. SpinCo's authorized capital stock currently consists of 1,000 shares of common stock, $1.00 par value. SpinCo will increase its authorized capital stock to enable the Filer to facilitate the Spin-Off. As of the date hereof, all of the issued and outstanding SpinCo Shares, being 1,000 SpinCo Shares, are held directly by the Filer, and no other shares or classes of stock of SpinCo are issued and outstanding.

12. Fractional shares of SpinCo Shares will not be distributed in connection with the Spin-Off. The distribution agent will aggregate the amount of fractional shares that would otherwise have been distributed into whole shares, sell such whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) *pro rata* to each Filer Shareholder who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares, if any, will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

13. Filer Shareholders will not be required to pay any consideration for the SpinCo Shares, or to surrender or exchange Filer Shares or take any other action to receive their SpinCo Shares. The Spin-Off will occur automatically and without any investment decision on the part of Filer Shareholders.

14. Subject to the satisfaction of certain conditions, it is currently anticipated that the Spin-Off will become effective in this second half of 2016.

15. Following the Spin-Off, SpinCo will cease to be a subsidiary of the Filer (but the Filer may retain up to 19.9% of the outstanding SpinCo Shares)

16. SpinCo will apply to have the SpinCo Shares listed on the NYSE prior to the Spin-Off.

17. After the completion of the Spin-Off, the Filer will continue to be listed and traded on the NYSE.

18. SpinCo is not a reporting issuer in any jurisdiction of Canada nor are its securities listed on any stock exchange in Canada. To the knowledge of the Filer, SpinCo has no present intention to become a reporting issuer in any jurisdiction of Canada or to list its securities on any stock exchange in Canada after the completion of the Spin-Off

19. The Spin-Off will be made in accordance with the laws of the State of Pennsylvania.

20. Because the Spin-Off will be effected by way of a distribution of SpinCo Shares to Filer Shareholders, no shareholder approval of the proposed transaction is required (or being sought) under Pennsylvania law

21. In connection with the Spin-Off, SpinCo has filed with the SEC a registration statement on Form 10 under the 1934 Act, detailing the proposed Spin-Off. SpinCo initially filed the registration statement with the SEC on June 29, 2016 and filed Amendment No. 1 to the Form 10 on August 12, 2016, Amendment No. 2 to the Form 10 on September 1, 2016, and it will file further amendment(s) to the registration statement (the "**Registration Statement**") closer to the date of the Spin-Off.

22. After the SEC has completed its review of the Registration Statement, Filer Shareholders will receive a copy (or a notice of internet availability) of an information statement (the "**Information Statement**") detailing the terms and conditions of the Spin-Off and forming part of the Registration Statement. All materials relating to the Spin-Off sent by or on behalf of the Filer and SpinCo in the United States (including the Information Statement) will be sent concurrently to Filer Canadian Shareholders.

23. The Information Statement will contain prospectus level disclosure about SpinCo.

24. Filer Canadian Shareholders who receive SpinCo Shares pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Off that are available to Filer Shareholders resident in the United States.

25. Following the completion of the Spin-Off, SpinCo will be subject to the requirements of the 1934 Act and, if listed for trading on the NYSE, its rules and regulations. SpinCo will send concurrently to holders of SpinCo Shares resident in Canada the same disclosure materials required to be sent under applicable U.S. federal securities law to holders of SpinCo Shares resident in the United States.

26. There will be no active trading market for the SpinCo Shares in Canada following the Spin-Off and none is expected to develop. Consequently, it is expected that any resale of SpinCo Shares distributed in connection with the Spin-Off will occur through the facilities of the NYSE or any other exchange or market outside of Canada on which the SpinCo Shares may be quoted or listed at the time that the trade occurs or to a person or company outside of Canada.

27. The Filer intends to dispose of any SpinCo Shares that it retains after the Spin-Off, which may include dispositions through one or more subsequent exchanges for debt or equity or a sale of its shares for cash, within the 18-month period following the Spin-Off, subject to market conditions. Any SpinCo Shares not disposed of by the Filer during such 18-month period will be sold or otherwise disposed consistent with the business reasons for the retention of those shares, but in no event later than five years after the Spin-Off.

28. The Spin-Off to Filer Canadian Shareholders would be exempt from the prospectus requirements pursuant to subsection 2.31(2) of Regulation 45-106 but for the fact that SpinCo will not be a reporting issuer at the time of the distribution under the securities legislation of any jurisdiction of Canada.

29. Neither the Filer nor SpinCo is in default of any securities legislation in any jurisdiction of Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the first trade in the SpinCo Shares acquired pursuant to the Spin-Off will be deemed to be a distribution unless the conditions in section 2.6 or subsection 2.14(1) of Regulation 45-102 respecting Resale of Securities are satisfied.

"Lucie J. Roy"
Senior Director, Corporate Finance

2.1.9 YUM! Brands, Inc.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus and dealer registration requirements to allow U.S. parent company to spin-off shares of its U.S. subsidiary to investors and employees by way of share distribution and distributions of options, restricted stock units and stock appreciation rights – distributions not covered by legislative exemptions – U.S. parent company is a public company in the U.S. but is not a reporting issuer in Canada – U.S. company has a *de minimis* presence in Canada – following the spin-off, U.S. subsidiary will become an independent public company in the U.S. and will not be a reporting issuer in Canada – no investment decision required from Canadian shareholders in order to receive distributions.

Applicable legislative provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

September 30, 2016

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

AND

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

AND

IN THE MATTER OF
YUM! BRANDS, INC.
(the "Filer")

DECISION

Background

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

(a) an exemption from the prospectus requirement of section 53 of the *Securities Act* (Ontario) (the "**Act**") in connection with the proposed distribution (the "**Spin-Off**") by the Filer of the shares of common stock ("**SpinCo Shares**") of YUM! China Holding, Inc. ("**SpinCo**"), an indirectly wholly-owned subsidiary of the Filer, by way of a dividend *in specie* to holders ("**Filer Shareholders**") of shares of common stock of the Filer ("**Filer Shares**") resident in Canada ("**Filer Canadian Shareholders**"); and

(b) an exemption from the prospectus requirement of section 53 of the Act and the dealer registration requirement of section 25 of the Act, in connection with the proposed distributions by SpinCo of SpinCo Awards (as defined below) to holders of Filer Awards (as defined below) resident in Canada who will not become employees of SpinCo or any of its subsidiaries ("**Filer Canadian Employees**") after the Spin-Off, and from the dealer registration requirement of section 25 of the Act in connection with any subsequent exercise or conversion in connection therewith.

(collectively, the "**Exemption Sought**").

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated in North Carolina with principal executive offices in Louisville, Kentucky, U.S.A. The Filer is a global fast food concept company that develops, operates, franchises and licenses a worldwide system of restaurants.

2. The Filer is not a reporting issuer, and, currently, has no intention of becoming a reporting issuer, under the securities laws of any province or territory of Canada.

3. The authorized capital of the Filer consists of 1,000,000,000 shares, without par value, of which 750,000,000 shares are Filer Shares and 250,000,000 shares are preferred shares. As of July 12, 2016, there were 389,887,084 Filer

Shares and no preferred shares issued and outstanding.

4. Filer Shares are listed on the New York Stock Exchange (the "**NYSE**") and trade under the symbol "YUM". Other than the foregoing listing on the NYSE, no securities of the Filer are listed or posted for trading on any exchange or market in Canada or outside of Canada. The Filer has no present intention of listing its securities on any Canadian stock exchange.

5. The Filer is a registrant with the United States Securities and Exchange Commission (the "**SEC**") and is subject to the requirements of the United States *Securities Exchange Act of 1934*, as amended (the "**1934 Act**") and the rules and regulations thereunder.

6. Based on a "Geographical Analysis Report" provided by American Stock Transfer & Trust Company, LLC, as of May 23, 2016 there were 171 registered Filer Canadian Shareholders holding approximately 19,817 Filer Shares, representing approximately 0.3% of the registered shareholders of the Filer worldwide and holdings of approximately 0.005% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

7. Based on a "Geographic Survey" of beneficial shareholders prepared for the Filer by Broadridge Financial Services, Inc., as of March 22, 2016 there were 129 beneficial Filer Canadian Shareholders, representing approximately 0.5% of the beneficial holders of Filer Shares worldwide, holding approximately 2,344,939 Filer Shares, representing approximately 0.6% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

8. Based on the information above, the number of registered and beneficial Filer Canadian Shareholders and the proportion of Filer Shares held by such shareholders are *de minimis*.

9. The Filer is proposing to spin off its restaurant operations in China (the "**SpinCo Business**") into a newly formed independent company, SpinCo, through a series of transactions. These transactions are expected to result in the Spin-Off by the Filer, *pro rata* to its shareholders, of 100% of the outstanding SpinCo Shares. Each Filer Shareholder will receive one SpinCo Share for each Filer Share.

10. SpinCo is a Delaware corporation with principal executive offices in Louisville, Kentucky, U.SA. It is currently an indirectly wholly-owned subsidiary of the Filer that, at the time of the Spin-Off, will hold the Filer's SpinCo Business.

11. As of the date hereof, all of the issued and outstanding SpinCo Shares, being 1,000 SpinCo Shares, are held indirectly by the Filer, and no other shares or classes of stock of SpinCo are issued and outstanding.

12. Fractional SpinCo Shares will not be distributed in connection with the Spin-Off. The distribution agent will aggregate the amount of fractional shares that would otherwise have been distributed into whole shares, sell such whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) *pro rata* to each Filer Shareholder who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares, if any, will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

13. Filer Shareholders will not be required to pay any consideration for the SpinCo Shares, or to surrender or exchange Filer Shares or take any other action to receive their SpinCo Shares. The Spin-Off will occur automatically and without any investment decision on the part of Filer Shareholders.

14. Subject to the satisfaction of certain conditions, it is currently anticipated that the Spin-Off will become effective on or about the end of October 2016.

15. Following the Spin-Off, SpinCo will cease to be a subsidiary of the Filer.

16. SpinCo will apply to have the SpinCo Shares listed on the NYSE before the Spin-Off.

17. After the completion of the Spin-Off, the Filer will continue to be listed and traded on the NYSE.

18. SpinCo is not a reporting issuer in any province or territory in Canada nor are its securities listed on any stock exchange in Canada. SpinCo has no present intention to become a reporting issuer in any province or territory of Canada or to list its securities on any stock exchange in Canada after the completion of the Spin-Off.

19. The Spin-Off will be effected under the laws of the State of North Carolina.

20. Because the Spin-Off will be effected by way of a dividend of SpinCo Shares to Filer Shareholders, no shareholder approval of the proposed transaction is required (or being sought) under North Carolina law.

21. In connection with the Spin-Off, SpinCo has filed with the SEC a registration statement on Form 10 under the 1934 Act, detailing the proposed Spin-Off. SpinCo initially filed the registration statement

with the SEC on May 4, 2016, subsequently filed amendments thereto on June 24, 2016, July 12, 2016, August 2, 2016, August 31, 2016 and September 19, 2016 and will file further amendment(s) to the registration statement (the "**Registration Statement**") closer to the date of the Spin-Off.

22. After the SEC has completed its review of the Registration Statement, Filer Shareholders will receive a copy of an information statement (the "**Information Statement**") detailing the terms and conditions of the Spin-Off and forming part of the Registration Statement. All materials relating to the Spin-Off sent by or on behalf of the Filer and SpinCo in the United States (including the Information Statement) will be sent concurrently to Filer Canadian Shareholders.

23. The Information Statement will contain prospectus level disclosure about SpinCo.

24. Filer Canadian Shareholders who receive SpinCo Shares pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Off that are available to Filer Shareholders resident in the United States.

25. Following the completion of the Spin-Off, SpinCo will be subject to the requirements of the 1934 Act and, if listed for trading on the NYSE, its rules and regulations. SpinCo will send concurrently to holders of SpinCo Shares resident in Canada the same disclosure materials required to be sent under applicable United States securities laws to holders of SpinCo Shares resident in the United States.

26. There will be no active trading market for the SpinCo Shares in Canada following the Spin-Off and none is expected to develop. Consequently, it is expected that any resale of SpinCo Shares distributed in connection with the Spin-Off will occur through the facilities of the NYSE or any other exchange or market outside of Canada on which the SpinCo Shares may be quoted or listed at the time that the trade occurs or to a person or company outside of Canada.

27. The Spin-Off to Filer Canadian Shareholders would be exempt from the prospectus requirements pursuant to subsection 2.31(2) of National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") but for the fact that SpinCo is not a reporting issuer under the securities legislation of any jurisdiction in Canada.

28. After the Spin-Off, employees of the Filer or its subsidiaries in Canada will remain Filer Canadian Employees.

29. The Filer has previously granted equity-based compensation awards to its employees comprised of stock options ("**Filer Options**"), restricted stock units ("**Filer RSUs**") and stock appreciation rights ("Filer SARs", together with the Filer Options and Filer RSUs, the "**Filer Awards**") exercisable for, or convertible into, Filer Shares under its various equity incentive plans ("**Filer's Plans**").

30. As of May 23, 2016, there was 1 Canadian holder of Filer Options who held approximately 0.79% of the outstanding Filer Options granted. Therefore, there are a *de minimis* number of Canadian holders of Filer Options.

31. As of May 23, 2016, there were 7 Canadian holders of Filer RSUs who held approximately 0.36% of the outstanding Filer RSUs granted. Therefore, there are a *de minimis* number of Canadian holders of Filer RSUs.

32. As of May 23, 2016, there were 13 Canadian holders of Filer SARs who held approximately 0.35% of the outstanding Filer SARs granted. Therefore, there are a *de minimis* number of Canadian holders of SARs.

33. As a result of the Spin-Off, the value of the Filer Shares will decrease. Accordingly, the Filer Awards will be adjusted after the Spin-Off according to formulae intended to preserve the intrinsic value of the Filer Awards as measured immediately before and immediately after the Spin-Off (including, as applicable, adjustments to exercise prices and number of shares subject to awards, subject to rounding, and will be effected in compliance with the terms of the Filer Awards (the "**intrinsic value methodology**")). Therefore, subject to rounding, the financial position of the holder with respect to the relevant Filer Awards remains the same immediately before and immediately after the Spin-Off.

34. The adjustments for Filer Canadian Employees who hold Filer Awards, include:

    (a) Filer Options being adjusted, into both options exercisable for Filer Shares and options exercisable for SpinCo Shares, at equivalent value using the intrinsic value methodology;

    (b) Filer RSUs being adjusted, into both restricted stock units convertible into Filer Shares and restricted stock units convertible into SpinCo Shares, at equivalent value using the intrinsic value methodology; and

    (c) Filer SARs being adjusted, into both stock appreciation rights exercisable for Filer Shares and stock appreciation rights exercisable for SpinCo Shares, at equi-

valent value using the intrinsic value methodology.

35. As a result of the adjustments to the Filer Awards, such Filer Canadian Employees may hold (i) adjusted equity-based awards exercisable for, or convertible into, Filer Shares ("**Adjusted Filer Awards**") and (ii) adjusted equity-based awards exercisable for, or convertible into, SpinCo Shares ("**SpinCo Awards**").

36. The current plan administrator for the Filer's Plans (the "**Plan Administrator**") will administer the distributions of the SpinCo Awards (in addition to the Adjusted Filer Awards) to Filer Canadian Employees after the Spin-Off. The Plan Administrator has also been separately retained as the plan administrator for SpinCo's various equity incentive plans and will facilitate their exercise or conversion and any first trades of SpinCo Shares pursuant to the relevant plans.

37. In connection with the adjustment to Filer Awards, each Filer Canadian Employee will receive the same disclosure material that each United States employee of the Filer or SpinCo would receive who holds the Filer Awards.

38. It is intended that Canadian Employee holders of Filer Awards will receive a one time benefit of the Exemption Sought under this Application in respect of the SpinCo Awards. After the Spin-Off, in respect of the grant of new awards, Filer Canadian Employees, will potentially receive awards exercisable for, or convertible into, Filer Shares.

39. The distribution, after the Spin-Off, of SpinCo Awards to Filer Canadian Employees would be exempt from the prospectus requirement pursuant to section 2.24 of NI 45-106 and the dealer registration requirement pursuant to section 8.16 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* but for the fact that such distribution will occur after the Spin-Off at a time when the Filer and SpinCo will not be related entities for the purposes of these exemptions.

40. Neither the Filer nor SpinCo is in default of any securities legislation in any jurisdiction of Canada.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the first trade in

(c) the SpinCo Shares acquired pursuant to the Spin-Off; and

(d) the SpinCo Shares issued to Filer Canadian Employees on the exercise or conversion of SpinCo Awards, as described in paragraph 39 above;

will be deemed to be a distribution unless the conditions in section 2.6 or subsection 2.14(1) of National Instrument 45-102 *Resale of Securities* are satisfied.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

2.1.10 Lateral Gold Corp.

Headnote

National Instrument 44-101 Short Form Prospectus Offerings, s. 8.1 – requirement to have a current AIF and not be an issuer whose operations have ceased, or whose principal asset is cash, cash equivalents, or its exchange listing – Qualification – An issuer that does not have a current AIF or whose operations have ceased, or whose principal asset is cash, cash equivalents, or its exchange listing wishes to use the short form prospectus system in NI 44-101 – the issuer has announced, but not yet completed, a restructuring transaction; the restructuring transaction includes a financing condition; if the restructuring transaction completes, the purchasers under the prospectus will have acquired an interest in an issuer that has a sufficient following in the marketplace and sufficient disclosure to support using a short form prospectus; if the restructuring transaction does not complete, the proceeds of the offering will be returned to the purchasers.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Offerings, s. 8.1.

September 2, 2016

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

AND

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

AND

IN THE MATTER OF
LATERAL GOLD CORP.
(the Filer)

DECISION

Background

1 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 qualification criteria in sections 2.2(d)(ii) and 2.2(e) (the Qualification Criteria) of National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) that the Filer have a current annual information form (AIF) and not be an issuer whose operations have ceased, or whose principal asset is cash, cash equivalents or its exchange listing, do not apply to the Filer in connection with the Offering, as such term is defined below (the Exemption Sought).

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

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

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

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

Interpretation

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

Representations

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

1. the Filer was incorporated under the laws of the Province of British Columbia on April 14, 1999;

2. the head office of the Filer is located in Vancouver, British Columbia;

3. the Filer is a reporting issuer under the securities legislation of British Columbia and Alberta and an electronic filer within the meaning of National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* (SEDAR) (NI 13-101);

4. the Filer is not in default of securities legislation in any jurisdiction or any of the rules, regulations or polices of the TSX Venture Exchange (the TSXV);

5. the Filer has filed current audited annual financial statements for its fiscal year ended June 30, 2016 on SEDAR;

6. as a venture issuer under National Instrument 51-102 *Continuous Disclosure Obligations*, the Filer is not required to file an AIF and has never filed an AIF;

7. the Filer was previously engaged in the business of mineral exploration but such operations have ceased;

8. the Filer is authorized to issue an unlimited number of common shares (each, a Share), of which 10,190,964 Shares are issued and outstanding as at the date hereof; the Shares are listed for trading on the TSXV under the symbol “LTG”;

9. on May 3, 2016, the Filer announced its proposed acquisition of CANHaul International Corp. (CANHaul), a private company incorporated under the laws of the Province of Alberta, which, if completed, will result in CANHaul becoming a wholly-owned subsidiary of the Filer (the Transaction);

10. the Transaction will result in a reverse takeover of the Filer by CANHaul and thus will be a restructuring transaction for the purposes of NI 44-101;

11. the Transaction is subject to the prior approval of the TSXV and the Filer meeting TSXV Initial Listing Requirements upon completion of the Transaction;

12. in connection with the Transaction, the Filer is required to undertake a public offering of subscription receipts (each, a Subscription Receipt) to raise gross proceeds of $5,000,000, or such other amount as is determined by the Filer and CANHaul (the Offering);

13. each Subscription Receipt will entitle the holder thereof to receive one Share, without payment of additional consideration, upon the completion of the Transaction;

14. at the closing of the Offering, the subscription funds will be deposited with Computershare Trust Company of Canada, as escrow agent; if the Transaction does not close by October 15, 2016, or such other date as agreed to by the Filer, CANHaul, and the agents for the Offering, the applicable subscription funds will be returned by the Filer to the holder;

15. prior completion of the Offering is a condition to the closing of the Transaction;

16. assuming completion of the Transaction, the Filer will adopt the business of CANHaul, CANHaul will be the reverse takeover acquirer and the Filer will be the reverse takeover acquiree;

17. the Filer wishes to file a short form prospectus pursuant to NI 44-101 to qualify the distribution of the Subscription Receipts under the Offering (the Prospectus), but the Filer does not meet the Qualification Criteria because the Filer does not have a current AIF, its operations have ceased and its principal assets are cash and cash equivalents;

18. the Filer and CANHaul are both required to obtain the approval of their respective shareholders for completion of the Transaction;

19. in connection with obtaining shareholder approval, the Filer and CANHaul are preparing a joint management information circular in the form prescribed by TSXV Form 3D1 *Information Required in an Information Circular for a Reverse Take-Over or Change of Business* (the Information Circular);

20. the Information Circular will include prospectus-level disclosure with respect to CANHaul and its business, including audited annual consolidated financial statements of CANHaul for the fiscal years ended June 30, 2016 and 2015, and information with respect to the Filer, on a pro forma consolidated basis, assuming completion of the Transaction;

21. the preliminary short form prospectus will not be filed until after the Information Circular has been filed on SEDAR;

22. the Filer intends to incorporate the Information Circular by reference into the Prospectus;

23. an exemption from paragraph 2.2(d) of NI 44-101 is provided under subsection 2.7(2) of NI 44-101 to permit a successor issuer that does not have a current AIF to qualify to file a prospectus in the form of a short form prospectus, subject to certain conditions; in particular, the condition in paragraph 2.7(2) of NI 44-101 that an information circular relating to the restructuring transaction that resulted in the successor issuer was filed by the successor issuer or an issuer that was a party to the restructuring transaction, and such information circular: (i) complied with applicable securities legislation; and (ii) included disclosure in accordance with Section 14.2 or 14.5 of Form 51-102F5 *Information Circular* (51-102F5) for the successor issuer;

24. the Filer is unable to rely on the exemption in subsection 2.7(2) of NI 44-101 because it has not yet completed the Transaction and is therefore not a "successor issuer" as defined in NI 44-101; and

25. on August 22, 2016, the Filer filed on SEDAR a notice pursuant to section 2.8 of NI 44-101 declaring its intention to be qualified to file a short form prospectus.

Decision

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

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

(a) the Information Circular complies with applicable securities legislation and includes disclosure in accordance with Section 14.2 or 14.5 of 51-102F5 in relation to the Transaction; and

(b) the Filer complies with the representations in sections 13, 14, 15, 16, 20, 21 and 22.

"Nigel P. Cave"
Vice Chair
British Columbia Securities Commission

2.1.11 Morgan Stanley & Co. LLC

Headnote

U.S. registered broker dealer exempted from dealer registration under paragraph 25(1) of the Act for provision of prime brokerage services – relief limited to trades in Canadian securities for institutional permitted clients – relief is subject to sunset clause.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 74(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.5, 8.18, 8.21.
National Instrument 81-102 Investment Funds.

September 22, 2016

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

AND

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

AND

IN THE MATTER OF
MORGAN STANLEY & CO. LLC
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from dealer registration under section 25(1) of the *Securities Act* (Ontario) (the **Act**) in respect of Prime Services (as defined below) relating to securities of Canadian issuers and that are provided in Canada to Institutional Permitted Clients (as defined below) (the **Exemption Sought**).

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

(a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application, and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada in which the Filer relies on the exemption found in section 8.18 [*International dealer*] of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) other than the province of Alberta (the **Passport Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

For the purposes of this decision, the following term has the following meaning:

"Institutional Permitted Client" shall mean a "permitted client" as defined in section 1.1 of NI 31-103, except for: (a) an individual, (b) a person or company acting on behalf of a managed account of an individual, (c) a person or company referred to in paragraph (p) of that definition unless that person or company qualifies as an Institutional Permitted Client under another paragraph of that definition, or (d) a person or company referred to in paragraph (q) of that definition unless that person or company has net assets of at least $100 million as shown on its most recently prepared financial statements or qualifies as an Institutional Permitted Client under another paragraph of that definition.

Representations

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

1. The Filer is a limited liability company governed by the laws of the State of Delaware. The head office of the Filer is located in New York, New York, United States of America. The Filer is an indirect, wholly-owned subsidiary of Morgan Stanley, a public company listed on the New York Stock Exchange (**NYSE**).

2. The Filer is registered as a broker-dealer with the United States (**U.S.**) Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**). This registration and membership permits the Filer to provide Prime Services (as defined below) in the U.S.

3. The Filer is a member of all major U.S. stock exchanges and U.S. commodity futures exchanges.

4. The Filer provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Its businesses include securities underwriting and distribution; financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project finance; sales, trading, financing and market-making activities in equity securities and related products, and fixed income securities and related products including foreign exchange and investment activities.

5. The Filer also provides trade execution services through a business unit that is distinct from the business unit that provides Prime Services (as defined below) and the two business units are separated by information barriers. The Filer relies on section 8.18 [*International dealer*] of NI 31-103 to provide trade execution services in respect of "foreign securities" as defined in that section. The Filer also relies on the exemptions found in section 8.5 [*Trades through or to a registered dealer*], in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*], and in section 8.21 [*Specified debt*] of NI 31-103 to provide limited trade execution services in respect of securities of Canadian issuers.

6. The "Prime Services" provided by the Filer principally consist of the following: (a) custody of client cash and securities positions, (b) receipt and delivery of cash and securities to settle purchases and sales of client positions, (c) financing of client long positions consisting of cash margin loans, (d) securities financing consisting of delivering securities on behalf of a client pursuant to a margin agreement or securities lending agreement to facilitate client short sales, (e) asset servicing, and (f) reporting of positions, margin and other balances and activity. For greater clarity, Prime Services do not include execution of trades in securities.

7. The Filer provides Prime Services in the Jurisdictions to Institutional Permitted Clients (the **Prime Services Clients**). In the case of a Prime Services Client that is an investment fund governed by Part 6 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), the custodianship requirements in Part 6 of NI 81-102 would only permit the Filer to provide the Prime Services to the investment fund as a sub-custodian of the investment fund in respect of portfolio assets held outside Canada.

8. Prime Services Clients seek Prime Services from the Filer in order to separate the execution of a trade from the clearing, settlement, custody and financing of a trade. This allows the Prime Services Client to use many executing brokers, without maintaining an active, ongoing custody account with each executing broker. It also allows the Prime Services Client to consolidate settlement, clearing, custody and financing of securities in an account with the Filer.

9. The Filer's Prime Services Clients directly select the executing brokers. The Filer does not require their Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades. Prime Services Clients send trade orders to the executing broker who carries out the trade. The executing broker will be an appropriately registered dealer or a person or company relying on an exemption from dealer registration that permits such executing broker to execute the trade for Prime Services Clients.

10. The Filer provides the Prime Services after the execution of the trade, but any agreement with a Prime Services Client to provide the Prime Services would have been entered into prior to the execution of the trade. The executing broker will communicate the trade details to a Prime Services Client and the Filer or the Filer's clearing agent, as applicable. A

Prime Services Client will also communicate the trade details to the Filer. For trades executed on a Canadian marketplace, the Filer will typically need to clear and settle the trades through a participant of the Canadian depository, clearing and settlement hub, CDS Clearing and Depository Services Inc.

11. The Filer exchanges money or securities and holds the money or securities in an account for each Prime Services Client. If the Filer is clearing and settling the trade through a clearing agent, the Filer's clearing agent exchanges money or securities and holds the money or securities in an omnibus account for the Filer, which in turn maintains a record of the position held for the Prime Services Client on its books and records. On or following settlement, the Filer provides the other Prime Services as set out in paragraph 6.

12. The Filer enters into written agreements with all of its Prime Services Clients for the provision of Prime Services.

13. On September 2, 2011, in CSA Staff Notice 31-327 *Broker-Dealer Registration in the Exempt Market Dealer Category*, the Canadian Securities Administrators (**CSA**) stated that they had concerns with firms applying for registration in and with firms registered in the category of exempt market dealer who were carrying on brokerage activities, including trading listed securities.

14. The Filer was registered as an exempt market dealer (**EMD**) in all of the Jurisdictions and provided services similar to the Prime Services under its EMD registration.

15. On February 7, 2013, in the subsequent CSA Staff Notice 31-333 *Follow-up to Broker-Dealer Registration in the Exempt Market Dealer Category*, the CSA stated that they would be publishing amendments to NI 31-103 that would prohibit exempt market dealers from trading in a security if the security is listed, quoted or traded on a marketplace and if the trade in the security does not require reliance on a further exemption from the prospectus requirement (the **Rule Amendments**).

16. The Rule Amendments came into effect on July 11, 2015. At that time, the Filer surrendered its EMD registration in all of the Jurisdictions. Since the implementation of the Rule Amendments, only investment dealers that are dealer members of IIROC or firms relying on an applicable exemption from the dealer registration requirement are permitted to engage in trading in a security if the security is listed, quoted or traded on a marketplace and if the trade in the security does not require reliance on a further exemption from the prospectus requirement in the Jurisdictions.

17. The Filer relies on the international dealer exemption under section 8.18 [International dealer] of NI 31-103 in all of the provinces and territories of Canada to provide Prime Services in respect of "foreign securities" as defined in section 8.18 of NI 31-103.

18. The Filer is not registered under NI 31-103, is in the business of trading, and in the absence of the Exemption Sought, cannot provide the full range of Prime Services in the Jurisdictions in respect of securities of Canadian issuers without registration, except as permitted under section 8.5 [*Trades through or to a registered dealer*], under the exemptions found in paragraphs (a), (b) and (f) of subsection 8.18(2) [*International dealer*], and under section 8.21 [*Specified debt*] of NI 31-103.

19. The Filer is subject to regulatory capital requirements under the *Securities Exchange Act of 1934* (the **1934 Act**), specifically SEC Rule 15c3-1 *Net Capital Requirements for Brokers or Dealers* (**SEC Rule 15c3-1**) and SEC Rule 17a-5 *Reports to be Made by Certain Brokers and Dealers* (**SEC Rule 17a-5**). The Filer has been approved by the SEC pursuant to SEC Rule 15c3-1 to use the alternative method of computing net capital contained in Appendix E to SEC Rule 15c3-1, and therefore files such supplemental and alternative reports as may be prescribed by the SEC. The Alternative Net Capital (**ANC**) method provides large broker-dealers meeting specified criteria, such as the Filer, with an alternative to use mathematical models such as the value at risk model to calculate capital requirements for market and derivatives related credit risk. The Filer, which uses the ANC method, must document and implement a comprehensive internal risk management system which addresses market, credit, liquidity, legal and operational risk at the firm.

20. SEC Rule 15c3-1 is designed to provide protections that are substantially similar to the protections provided by the capital formula requirements and specifically risk adjusted capital to which dealer members of IIROC are subject, and the Filer is in compliance with SEC Rule 15c3-1 and SEC Rule 17a-5. If the Filer's net capital declines below the minimum amount required, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 17a-11 *Notification Provisions for Brokers and Dealers* (**SEC Rule 17a-11**). The SEC and FINRA have the responsibility to provide oversight over the Filer's compliance with SEC Rule 15c3-1 and SEC Rule 17a-5.

21. The Filer is required to prepare and file a financial report, which includes Form X-17a-5 (the **FOCUS Report**) which is the financial and operational report containing a net capital calculation, and a compliance report annually with the SEC and FINRA pursuant to SEC Rule 17a-5(d). The FOCUS Report provides a more comprehensive description of the

business activities of the Filer, and more accurately reflects those activities including client lending activity, than would be provided by Form 31-103F1 *Calculation of Excess Working Capital* (**Form 31-103F1**). The net capital requirements computed using methods prescribed by SEC Rule 15c3-1 are based on all assets and liabilities on the books and records of a broker-dealer whereas Form 31-103F1 is a calculation of excess working capital, which is a computation based primarily on the current assets and current liabilities on the books and records of the dealer. The Filer is up-to-date in its submissions of annual reports under SEC Rule 17a-5(d), including the FOCUS Report.

22. The Filer is subject to regulations of the Board of Governors of the U.S.A. Federal Reserve Board (**FRB**), the SEC, and FINRA regarding the lending of money, extension of credit and provision of margin to clients (the **U.S. Margin Regulations**) that provide protections that are substantially similar to the protections provided by the requirements regarding the lending of money, extension of credit and provision of margin to clients to which dealer members of IIROC are subject. In particular, the Filer is subject to the margin requirements imposed by the FRB, including Regulation T, and under applicable SEC rules and under FINRA Rule 4210. The Filer is in compliance with all applicable U.S. Margin Regulations.

23. The Filer holds customer assets in accordance with Rule 15c3-3 of the 1934 Act, as amended (**SEC Rule 15c3-3**). SEC Rule 15c3-3 requires the Filer to segregate and keep segregated all "fully-paid securities" and "excess margin securities" (as such terms are defined in SEC Rule 15c3-3) of its customers from its proprietary assets. In addition to the segregation of customers' securities, SEC Rule 15c3-3 requires the Filer to deposit an amount of cash or qualified government securities determined in accordance with a reserve formula set forth in SEC Rule 15c3-3 in an account entitled "Special Reserve Account for the Exclusive Benefit of Customers" of such Filer at separate banks and/or custodians. The combination of segregated securities and cash reserve are designed to ensure that the Filer has sufficient assets to cover all net equity claims of its customers and provide protections that are substantially similar to the protections provided by the requirements dealer members of IIROC are subject. If the Filer fails to make an appropriate deposit, the Filer is required to notify the SEC and FINRA pursuant to SEC Rule 15c3-3(i). The Filer is in compliance with SEC Rule 15c3-3.

24. The Filer is a member of the Securities Investors Protection Corporation (**SIPC**) and, subject to the eligibility criteria of SIPC, Prime Services Clients' assets held by the Filer are insured by SIPC against loss due to insolvency.

25. The Filer is in compliance in all material respects with U.S. securities laws. Subject to the matter to which the Exemption Sought relates, the Filer is not in default of securities legislation in any jurisdiction in Canada.

26. The Filer submits that the Exemption Sought would not be prejudicial to the public interest because:

    (a) the Filer is registered as a broker-dealer under the securities legislation of the U.S,. and is subject to the requirements listed in paragraphs 19 to 24,

    (b) the availability of and access to Prime Services is important to Canadian institutional investors who are active participants in the international marketplace,

    (c) the Filer provides Prime Services in the Jurisdictions only to Institutional Permitted Clients,

    (d) the OSC has entered into a memorandum of understanding with the SEC regarding mutual assistance in the supervision and oversight of regulated entities that operate on a cross-border basis in the U.S. and Canada, and

    (e) the OSC has entered into a memorandum of understanding with FINRA to provide a formal basis for the exchange of regulatory information and investigative assistance.

27. At the request of the Alberta Securities Commission, the Filer will not rely on subsection 4.7(1) of MI 11-102 to passport this decision into Alberta.

28. The Filer is a "market participant" as defined under subsection 1(1) of the Act. As a market participant, among other requirements, the Filer is required to comply with the record keeping and provision of information provisions under section 19 of the Act, which include the requirement to keep such books, records and other documents as are necessary for the proper recording of business transactions and financial affairs and the transactions executed on behalf of others, and to deliver such records to the OSC if required.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as the Filer:

(a) has its head office or principal place of business in the U.S.;

(b) is registered as a broker-dealer under the securities legislation of the U.S., which permits the Filer to provide the Prime Services in the U.S.;

(c) is a member of FINRA;

(d) is a member of SIPC;

(e) is subject to requirements over regulatory capital, lending of money, extension of credit, provision of margin, financial reporting to the SEC and FINRA, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer members of IIROC are subject;

(f) limits its provision of Prime Services in the Jurisdictions in respect of securities of Canadian issuers to Institutional Permitted Clients;

(g) does not execute trades in securities of Canadian issuers with or for Prime Services Clients, except as permitted under applicable Canadian securities laws;

(h) does not require its Prime Services Clients to use specific executing brokers through which Prime Services Clients must execute trades;

(i) notifies the OSC of any regulatory action initiated after the date of this decision in respect of the Filer, or any predecessors or specified affiliates of the Filer, by completing and filing with the OSC Appendix "A" hereto within ten days of the commencement of any such action; provided that the Filer may also satisfy this condition by filing with the OSC (i) within ten days of the date of this decision, a notice making reference to and incorporating by reference the disclosure made by the Filer pursuant to U.S. federal securities laws that is identified in the FINRA BrokerCheck system, and (ii) promptly, a notification of any Form BD amendment and/or filing with FINRA that relates to legal and regulatory actions;

(j) submits the financial report and compliance report as described in SEC Rule 17a-5(d) to the OSC on an annual basis, at the same time such reports are filed with the SEC and FINRA;

(k) submits audited financial statements to the OSC on an annual basis, within 90 days of the Filer's financial year end;

(l) submits to the OSC immediately a copy of any notice filed under SEC Rule 17a-11 or under SEC Rule 15c3-3(i) with the SEC and FINRA;

(m) complies with the filing and fee payment requirements applicable to a registrant under OSC Rule 13-502 Fees;

(n) files in an electronic and searchable format with the OSC such reports as to any or all of its trading activities in Canada as the OSC may require from time to time; and

(o) pays the increased compliance and case assessment costs of the principal regulator due to the Filer's location outside Ontario, including, as required, the cost of hiring a third party to perform a compliance review on behalf of the principal regulator.

This decision shall expire five years after the date hereof.

This decision may be amended by the OSC from time to time upon prior written notice to the Filer.

"Monica Kowal"
Vice-Chair
Ontario Securities Commission

"D. Grant Vingoe"
Vice-Chair
Ontario Securities Commission

APPENDIX "A"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

   Yes _____ No _____

   If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

		Yes	No
(a)	Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	____	____
(b)	Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	____	____
(c)	Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	____	____
(d)	Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	____	____
(e)	Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	____	____
(f)	Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	____	____
(g)	Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	____	____

   If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

   Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

2.1.12 MaRS VX

Headnote

Application by not-for-profit entity (the Filer) for an interim extension order – Filer operates an online portal bringing together accredited investors with issuers that aim to solve social or environmental challenges – Filer registered as restricted dealer in Ontario – previous decision granted Filer relief from certain know-your-client (KYC) and suitability requirements contained in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) subject to certain conditions – interim extension order granted.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System (MI 11-102).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.2(2)(c), 13.3, and Part 15.

September 30, 2016

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

AND

IN THE MATTER OF
MARS VX
(the Filer)

DECISION

Background

The Filer has made an application (the **Application**) to the Director (the **Director**) in the Jurisdiction for a decision, pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), to vary a previous decision under the securities legislation of the Jurisdiction of the regulator made under section 15.1 of NI 31-103 entitled *In the Matter of MaRS VX* dated June 17, 2013 (the **Original Decision**) and varied on March 6, 2014 (the **March 2014 Amending Decision**) and as further varied on June 17, 2015 (the **June 2015 Amending Decision**) and on December 17, 2015 (the **December 2015 Amending Decision**, and collectively with the Original Decision, the March 2014 Amending Decision, and the June 2015 Amending Decision, the **Previous Decision**) in accordance with the Requested Interim Relief (as described below).

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* or in the Previous Decision have the same meaning in this decision unless they are otherwise defined in this decision (the **Decision**).

Representations

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

1. The Filer is a not-for-profit entity and is a wholly owned subsidiary of MaRS Discovery District (**MaRS**).

2. MaRS is a registered charity and a not-for-profit entity without share capital created by letters patent under the *Canada Corporations Act*. It carries on its operations without pecuniary gain. Its head office is located in Toronto, Ontario.

3. The Filer's current objective is to facilitate impact investing by bringing together through an online platform (the **Platform**) accredited investors (as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**) and in subsection 73.3(1) of the *Securities Act* (Ontario) (the **Act**)) in Ontario and Quebec and issuers that are social impact issuers and/or environmental impact issuers in Ontario and Quebec aiming to solve social or environmental challenges in these jurisdictions.

4. The Filer is registered as a restricted dealer in Ontario and in Quebec.

5. Under the Previous Decisions, the Filer was granted relief from certain requirements under NI 31-103 that would otherwise be applicable to the Filer in connection with the operation of the Platform, subject to certain terms and conditions specified in the Previous Decision.

6. In the March 2014 Amending Decision, the Filer was also granted relief to amend the Original Decision in order to be able to rely on the passport system described in Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) in the province of Quebec, all as described in the March 2014 Amending Decision.

7. A condition in the Previous Decision is that the relief is subject to a sunset clause which expires on September 30, 2016.

8. The Filer carries on a very unique business with a special focus on social impact issuers and environmental impact issuers, and is still in the early stages of development. Based on a compliance review, Ontario Securities Commission (**Commission**) staff identified deficiencies and areas for improvement with the Filer's compliance with Ontario securities laws. On July 17, 2015, the Filer consented to terms and conditions imposed by the Director, which included that the Filer retain an independent consultant to prepare and assist the Filer to implement a plan to strengthen their compliance system.

9. The Filer retained a consultant and has implemented the Compliance Plan.

10. The Filer is now seeking registration as an exempt market dealer. Once the Filer is registered as an exempt market dealer, it will no longer be registered as a restricted dealer and will not rely on the relief granted in the Previous Decision.

11. The Filer wishes for the relief granted in the Previous Decision to be extended to March 31, 2017 in order for the Filer to complete the registration process as an exempt market dealer (the **Requested Interim Relief**).

12. The Filer is not in default of securities legislation in any province or territory in Canada.

13. The Filer also wishes to rely on the passport system described in Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) in the province of Quebec. Upon the granting of the Requested Interim Relief, the Filer intends to file a notice pursuant to section 4.7(1) of MI 11-102 to passport this Decision into Quebec.

14. This Decision is based on the same representations made by the Filer in the Previous Decision, to the extent not amended by this Decision, and which remain true and complete.

Decision

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

It is the decision of the Director that the Requested Interim Relief is granted provided that:

1. The Filer complies with all of the registration requirements of an exempt market dealer under the Act and NI 31-103, subject to paragraph 2 below and with the terms and conditions imposed by the Director;

2. The Filer is exempt from the know-your-client and suitability requirements in paragraph 13.2(2)(c) and in section 13.3 of NI 31-103 on the basis that the following terms and conditions will apply to investors that have access to the Private Portal:

   (a) if the investor is a permitted client that has waived the know-your-client and suitability requirements of paragraph 13.2(2)(c) and section 13.3 of NI 31-103 under subsections 13.2(6) and 13.3(4) of NI 31-103, respectively, there will be no maximum amount that such an investor may subscribe for on the Private Portal;

   (b) if the investor is either: (i) an accredited investor that is not a permitted client; or (ii) a permitted client that has not waived the know-your-client and suitability requirements of paragraph 13.2(2)(c) and section 13.3 of NI 31-103, the investor shall be limited to investing a maximum of $25,000 in a single offering on the Private Portal in a calendar year and a maximum of $50,000 in total in all offerings on the Private Portal in a calendar year; and

3. The Filer will continue to abide by the terms and conditions imposed on the Filer's registration.

This Decision shall expire on the earlier of:

(a) the date of registration of the Filer as an exempt market dealer with the Commission; and

(b) March 31, 2017.

This Decision may be amended by the Director from time to time upon prior written notice to the Filer.

"Debra Foubert"
Director, Compliance & Registrant Regulation
Ontario Securities Commission

2.1.13 Mackenzie Financial Corporation

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future mutual funds managed by the Filer granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment funds to permit references to Fundata A+ Awards and relief from paragraphs 15.3(4)(c) to permit references to FundGrade Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the Fundata A+ Awards being referenced not have been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(4)(c) and (f), and 19.1.

September 28, 2016

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

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing Mutual Funds and Future Mutual Funds (each defined below) (each a **Fund** and collectively, the **Funds**) of which the Filer is or becomes the investment fund manager, pursuant to section 19.1 of National Instrument 81-102 – *Investment Funds* (**NI 81-102**), for exemptive relief (**Requested Relief**) from the requirements set out in paragraphs 15.3(4)(c) (in respect of both the FundGrade A+ Awards presented annually by Fundata Canada Inc. (**Fundata**) and the FundGrade Ratings) and 15.3(4)(f) (in respect of the FundGrade A+ Awards only) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

(a) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund;

(b) the rating or ranking is to the same calendar month end that is

(i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and

(ii) not more than three months before the date of first publication of any other sales communication in which it is included;

in order to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to the Funds.

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

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

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

Interpretation

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

Representations

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

The Filer

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

2. The Filer is registered (i) as a portfolio manager and exempt market dealer under the *Securities Act* (Ontario) (the **Act**) and under the securities legislation in each of the Other Jurisdictions; (ii) as an investment fund manager in each of Ontario, Quebec and Newfoundland & Labrador, and (iii) as a commodity trading manager under the *Commodity Futures Act* (Ontario).

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

The Funds

4. The Filer is the manager of mutual funds (the "**Existing Mutual Funds**"), each of which is subject to the requirements of NI 81-102. The Filer may, in the future, become the manager of additional mutual funds (the "**Future Mutual Funds**") that are subject to the requirements of NI 81-102.

5. Each of the Funds is, or will be, an open-ended mutual fund established under the laws of Canada or a jurisdiction of Canada. The securities of each of the Funds are, or will be, qualified for distribution pursuant to a prospectus that has been, or will be, prepared and filed in accordance with the securities legislation of each applicable jurisdiction of Canada. Each of the Funds is, or will be, a reporting issuer in one or more of the jurisdictions of Canada. Each of the Funds is, or will be, subject to NI 81-102, including Part 15 thereof which governs sales communications.

6. The Existing Mutual Funds are not in default of securities legislation of any jurisdiction.

Fundata FundGrade A+ Awards Program

7. Fundata is not a member of the Funds' organization. Fundata is a leader in supplying mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.

8. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee (**CIFSC**) (or a successor to CIFSC), a Canadian organization that is independent of Fundata.

9. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk-adjusted performance measured by three well-known and widely used metrics: the Sharpe Ratio, the Information Ratio, and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a fund, an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.

10. The FundGrade Ratings are letter grades for each fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D

Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a Fund must show consistently high scores for all ratios across all time periods.

11. Fundata calculates a grade using only the retail series of each Fund. Institutional series or fee-based series of any Fund are not included in the calculation. A Fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a Fund, it is then applied to all related series of that Fund.

12. At the end of each calendar year, Fundata calculates a "Fund GPA" for each Fund based on the full year's performance. The Fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each Fund is divided by 12 to arrive at the Fund's GPA for the year. Any Fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.

13. When a Fund is awarded a FundGrade A+ Award, Fundata will permit such Fund to make reference to the award in its sales communications.

14. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102, as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Awards may be considered to be "overall ratings or rankings", given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.

15. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for the fund, except for the period since the inception of the fund (i.e., for one, three, five and ten year periods, as applicable).

16. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years, and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for a Fund to use FundGrade Ratings in sales communications.

17. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4). As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) unavailable. Relief from paragraph 15.3(4)(c) is, therefore, required in order for the Funds to reference the FundGrade A+ Awards and the FundGrade Ratings in sales communications.

18. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.

19. Because the evaluation of Funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a Fund receives a FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March.

20. The Requested Relief is required in order for the FundGrade Ratings and the FundGrade A+ Awards to be referenced in sales communications relating to the Funds.

21. The Filer wishes to include, in sales communications of the Funds, references to the FundGrade Ratings and the FundGrade A+ Awards, where such Funds have been awarded a FundGrade A+ Award.

22. The Filer submits that the FundGrade A+ Awards and the FundGrade Ratings provide important tools for investors, as they provide investors with context when evaluating investment choices. The FundGrade A+ Awards and the FundGrade Ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of Fundata in fund analysis that alleviates any concern that references to them may be misleading and, therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to a Fund provided that:

1. The sales communication that refers to the FundGrade A+ Awards and the FundGrade Ratings complies with Part 15 of NI 81-102 other than as set out herein and contains the following disclosure in at least 10 point type:

    (a) the name of the category for which the Fund has received the award or rating;

    (b) the number of mutual funds in the category for the applicable period;

    (c) the name of the ranking entity, i.e., Fundata;

    (d) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Awards or the FundGrade Rating is based;

    (e) a statement that FundGrade Ratings are subject to change every month;

    (f) in the case of a FundGrade A+ Award, a brief overview of the FundGrade A+ Awards;

    (g) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award), a brief overview of the FundGrade Rating;

    (h) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category); and

    (i) reference to Fundata's website (www.fundata.com) for greater detail on the FundGrade A+ Awards and the FundGrade Ratings;

2. The FundGrade A+ Award being referenced must not have been awarded more than 365 days before the date of the sales communication; and

3. The FundGrade A+ Awards and the FundGrade Ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by the CIFSC (or a successor to the CIFSC).

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

2.1.14 Bullion Management Services Inc. and BMG Silver BullionFund

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prescribed risk disclosure in requirements in Part I, Item 4(1) and (2)(b) of Form 81-101F3 Contents of a Fund Facts Document, subject to certain conditions. Relief from section 2.3(f) of NI 81-102 Investment Funds to permit investment up to 100% in silver bullion.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1.
Form 81-101F3 Contents of a Fund Facts Document, Part I, Item 4(1), (2)(b).
National Instrument 81-102 Investment Funds, s. 2.3(f).

September 23, 2016

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

AND

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

AND

IN THE MATTER OF
BULLION MANAGEMENT SERVICES INC.
(BMS)

AND

IN THE MATTER OF
BMG SILVER BULLIONFUND
(the Silver Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from BMS, which will be the trustee and manager of the new Silver Fund to be established by BMS, for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for exemptive relief from:

(i) Section 2.3(1)(f) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) to permit the Silver Fund to invest substantially all of its assets in silver bullion (the **Bullion Relief**), and

(ii) The form requirements of Item 4 of Form 81-101F3 *Contents of Fund Facts Document* (the **Form**) in order to allow disclosure of the investment risk classification that will be used by the Silver Fund (the **Disclosure Relief**)

(collectively, the **Exemption Sought**).

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

1. the Ontario Securities Commission (the **OSC**) is the principal regulator for this application; and;

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

Interpretation

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

Representations

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

General

1. BMS was incorporated in Ontario on November 3, 1998 and is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador. The head office of BMS is located in the city of Markham, Ontario.

2. BMS will act as manager, promoter and trustee of the Silver Fund.

3. The Silver Fund will be a mutual fund trust that is established under the laws of Ontario pursuant to a trust agreement made by BMS as the manager and trustee of the Silver Fund.

4. A preliminary simplified prospectus in respect of the Silver Fund was filed on SEDAR under project no. 2519282 on August 15, 2016. Once a final prospectus for the Silver Fund is filed and a receipt therefor is obtained, the Silver Fund will be a "reporting issuer" or equivalent in each of the Jurisdictions.

5. BMS and the Silver Fund are not in default of the Legislation.

Bullion Relief

6. The investment objective of the Silver Fund will be to seek to achieve capital preservation and long-term appreciation by investing substantially all of its assets in silver bullion.

7. All silver bullion purchased by the Silver Fund will be in London Good Delivery bar form.

8. The Silver Fund will maintain a fixed investment policy of investing all of its assets in its silver bullion regardless of market conditions. The Silver Fund may also hold cash in amounts generally not exceeding more than five percent (5%) of the Silver Fund's net assets in order to pay expenses and to facilitate redemptions. The Silver Fund will not base its investment decisions on changes in the price of silver bullion.

9. BMS believes there is adequate liquidity for silver bullion in the marketplace such that the Silver Fund should not have any problem achieving its investment objective or satisfying redemptions.

10. If silver bullion is unavailable, which is not expected to occur, the Silver Fund will continue to hold any pending investments in cash until silver bullion becomes available again. At that time, the Silver Fund will immediately invest any cash in excess of five percent (5%) of its net assets in silver bullion.

11. BMS will make available on its website:

    (i) the current holdings of the Silver Fund on a daily basis; and

    (ii) will periodically list the number of ounces of silver bullion that the Silver Fund holds.

12. The Silver Fund will disclose in its prospectus, and in each renewal thereof, that up-to-date information about the amount of silver bullion held by the Silver Fund may be found on BMS' website.

13. The Bank of Nova Scotia (**BNS**) will be the custodian of the Silver Fund. All silver bullion held by the Silver Fund in bar form will be physically held in the Canadian vaults of BNS or another qualified Canadian subcustodian(s) on a segregated and allocated basis.

14. BNS, on the direction of BMS, will invest the assets of the Silver Fund in silver bullion.

15. The custody arrangements between the Silver Fund and BNS will be governed by the terms of a Bullion Trading Account Agreement and a Holding Account Agreement, which will satisfy the custody provisions of Part 6 of NI 81-102.

16. The auditors of the Silver Fund will perform a physical count of all bullion held by the Silver Fund at least once a year.

17. BNS and/or any sub-custodian of the Silver Fund will maintain insurance as BNS and/or such sub-custodian deems appropriate against all risks of physical loss or damage except the risk of war, nuclear incident, terrorism events or government confiscation. BNS and/or any such sub-custodian shall maintain insurance with regard to its business on such terms and conditions as it deems appropriate. The Bullion Trading Account Agreement and the Holding Account Agreement will provide that BNS shall not cancel its insurance except upon 30 days' prior written notice to BMS.

18. The Silver Fund will not use specified derivatives, engage in hedging, leverage or lease any silver bullion.

19. The Silver Fund will not at any time invest in a "security" as such term is defined in subsection 1(1) of the *Securities Act* (Ontario) (the **OSA**), including securities or certificates of companies that produce silver bullion.

20. Fund valuation services will be provided to the Silver Fund pursuant to the terms of a Valuation and Record Keeping Agreement between BMS and RBC Investor Services Trust (**RBC Investor Services**).

21. All of the cash of the Silver Fund will be held by RBC Investor Services as a sub-custodian of BNS, who will have access to the cash of the Silver Fund to, among other things, pay expenses of the Silver Fund.

Disclosure Relief

22. The Form prescribes the disclosure required in a fund facts document for a mutual fund. Part I, Item 4(1) of the Form prescribes the disclosure describing the use of volatility as a way to gauge the investment risk level of the mutual fund under the heading "How risky is it?" in the fund facts document. Part I, Item 4(2)(b) of the Form requires the manager of a mutual fund to rate the investment risk level of the mutual fund on the risk scale in the fund facts document under the sub-heading "Risk rating" and prescribes accompanying disclosure.

23. The prescribed disclosure set out in Part I, Items 4(1) and (2)(b) of the Form is based on volatility of a mutual fund's returns.

24. Currently, the fund manager of a mutual fund must rate the investment risk level of a mutual fund based on a risk classification methodology chosen at the fund manager's discretion. There is currently no prescribed risk classification methodology under securities legislation.

25. BMS has chosen a risk classification methodology that relies on an analysis of certain qualitative factors to determine the risk classification for the Silver Fund. BMS holds that the use of qualitative factors is appropriate because of the nature of precious metals as an investment, the relationship between precious metals and certain common investment risks, and certain special properties of precious metals.

26. BMS submits that the prescribed disclosure in Part I, Item 4(1) and (2)(b) of the Form is incompatible with the risk classification methodology, i.e. use of qualitative factors, that is used by BMS to rate the investment risk level of the Silver Fund in the fund facts documents.

27. BMS proposes to use the following disclosure in place of the prescribed language in Part I, Item 4(1) and (2)(b) of the Form for the fund facts documents for the Silver Fund:

Sample Disclosure	**Prescribed Disclosure of Item 4 of Form 81-101F3**
How risky is it? The value of the Fund can go down as well as up. You could lose money. In assessing the risk level of a fund, most fund managers use a methodology based on volatility which looks at how much a fund's returns change over time. However, for this Fund, Bullion Management Services Inc. identifies the risk level based primarily on qualitative factors (e.g., negative correlation to other asset classes, effective hedge vs inflation and value of US dollar, preservation of purchasing power and intrinsic value) and Bullion Management Services Inc.'s views on the fundamentals of silver and the role of silver as a wealth protection strategy.	**How risky is it?** The value of the Fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility". In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

The risk rating of this Fund may not be comparable to other mutual funds that use a methodology based on volatility of fund returns. For a description of the risk classification methodology that Bullion Management Services Inc. uses to rate the risk level of the Fund, see the "Fund Risk Classification" section of the simplified prospectus.	
Risk rating Bullion Management Services Inc. has rated the risk rating of the Fund as **medium**. This rating is based on qualitative factors and Bullion Management Services Inc.'s views on the fundamentals of silver and the role of precious metals as a wealth protection strategy. It doesn't tell what the risk rating of the Fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money. For more information about the risk rating and specific risks that can affect the Fund's returns, see "What Are the Risks of Investing in the Fund?" section of the Fund's simplified prospectus.	**Risk rating** [Fund Manager] has rated the volatility of this fund as [medium]. This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the Fund will be in the future. The rating can change over time. A Fund with a low risk rating can still lose money. For more information about the risk rating and specific risks that can affect the Fund's returns, see the [insert cross-reference to the appropriate section of the mutual fund's simplified prospectus] section of the Fund's simplified prospectus.

28. BMS believes the disclosure cited above will assist investors in understanding the investment risk rating that it assigns to the Silver Fund.

29. On December 12, 2013, the Canadian Securities Administrators (**CSA**) published a standardized CSA risk classification methodology for use by mutual fund managers in the fund facts document (the **Proposed Methodology**) for comment in CSA Notice 81-324 and Request for Comment *Proposed CSA Mutual Fund Risk Classification Methodology for Use in Fund Facts*.

30. On December 10, 2015, the CSA published an amended version of the Proposed Methodology for a 90 day comment period that ended on March 9, 2016. It is expected that the CSA will publish final amendements aimed at implementing a standardized risk classification methodology over the coming months.

31. Until the CSA publishes final amendments to implement the Proposed Methodology, BMS would like the Silver Fund to be able to provide the disclosure in its fund facts documents as set out above in paragraph 27.

Decision

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

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

Bullion Relief

(a) the prospectus of the Silver Fund discloses, in the investment strategy section, that the Silver Fund has obtained relief to invest in silver bullion;

(b) the prospectus of the Silver Fund, including each renewal thereof, shall at all times contain disclosure regarding the unique risks associated with an investment in the Silver Fund including:

  (i) the risk that direct purchases of silver bullion by the Silver Fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Silver Fund;

  (ii) the risk that silver bullion may at times be unavailable thus preventing that Silver Fund from achieving its investment objective of being substantially invested in silver bullion;

Disclosure Relief

(c) the fund facts documents of the Silver Fund provide the disclosure set out above in paragraph 27; and

(d) the Disclosure Relief will terminate on the effective date, following any applicable transition period, for any legislation or rule dealing with the Proposed Methodology.

"Vera Nunes"
Manager
Investment Funds and Structured Products
Ontario Securities Commission

2.1.15 VWK Capital Management Inc. and VWK Partners Fund Trust

Headnote

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

Applicable Legislative Provisions

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

August 23, 2016

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

AND

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

AND

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

AND

IN THE MATTER OF
VWK PARTNERS FUND TRUST
(the Top Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Top Fund, which invests its assets in VWK Partners Fund LP (the **Underlying Fund**), for a decision under the securities legislation of the principal regulator (the **Legislation**) exempting the Top Fund from the restriction in the Legislation which prohibits:

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

(b) an investment fund from knowingly holding an investment described in paragraph (a) above

(collectively, the **Exemption Sought**).

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

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

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

Interpretation

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

Representations

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

The Filer

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

2. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in Ontario.

3. The Filer is the investment fund manager of the Top Fund and the Underlying Fund (the **Funds**).

4. The Filer is the portfolio manager for the Funds with complete discretion to invest and reinvest the assets of the Funds, and with responsibility for executing all portfolio transactions while being subject to applicable securities laws. Furthermore, the Filer may also act as a distributor of the securities of the Funds not otherwise sold through another registered dealer.

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

Top Fund

6. The Top Fund is an open-ended investment trust established under the laws of Ontario pursuant to a trust agreement dated as of April 9, 2015.

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

8. The Top Fund is an "investment fund" as defined in securities legislation of the jurisdictions in which the Top Fund is distributed.

9. The Top Fund currently invests, and intends to continue to invest, substantially all of its assets in the Underlying Fund.

10. The Top Fund is not and will not be a reporting issuer in any jurisdiction of Canada.

11. The Top Fund is not in default of securities legislation of any jurisdiction of Canada.

Underlying Fund

12. The Underlying Fund is an open-ended limited partnership established under the laws of Ontario by declaration dated May 17, 2010 and governed by a limited partnership agreement dated as of January 4, 2011, as amended.

13. The general partner of the Underlying Fund is VWK Partners Fund GP, an affiliate of the Filer.

14. The Underlying Fund has separate investment objectives and investment strategies.

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

16. The Underlying Fund is an "investment fund" as defined in securities legislation of the jurisdictions in which the Underlying Fund is distributed.

17. The Underlying Fund has other investors in addition to the Top Fund.

18. The Underlying Fund is not and will not be a reporting issuer in any jurisdiction of Canada.

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

Fund-on-Fund Structure

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

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

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

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

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

25. The Underlying Fund will not invest all or substantially all of its assets in any other investment fund, except as permitted in condition (c) below.

26. Each current investor in the Top Fund has received disclosure in writing of the following:

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

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

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

    (d) the fees, expenses and any performance or incentive distributions payable by the Underlying Fund that the Top Fund invests in; and

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

    (collectively, the **Previous Fund-on-Fund Disclosure**).

27. Securityholders of the Top Fund have received, and will continue to receive, on request and free of charge, a copy of the Top Fund's annual audited and interim unaudited financial statements. Such financial statements disclose, and will continue to disclose, the Top Fund's holdings of securities of the Underlying Fund.

28. Securityholders of the Top Fund will receive, on request and free of charge, a copy of any then current disclosure document of the Underlying Fund, if available, and a copy of the annual audited financial statements and interim financial statements of the Underlying Fund.

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

30. The Top Fund has the same valuation and redemption dates as the Underlying Fund. The NAV of each Fund is determined, and redemptions may be made, on the last business day of each month (or such other days as the Filer may permit).

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

Generally

32. The amounts invested from time to time in the Underlying Fund by the Top Fund may exceed 20% of the outstanding voting securities of the Underlying Fund. As a result, the Top Fund could become a substantial security holder of the Underlying Fund.

33. In the absence of the Exemption Sought, the Top Fund would be precluded from purchasing and holding more than 20% of the outstanding voting securities of the Underlying Fund due to the investment restrictions contained in the Legislation.

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

Decision

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

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

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

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

(c) the Top Fund will not purchase or hold securities of the Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund hold no more than 10% of its NAV in securities of other investment funds, unless the Underlying Fund:

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) the Filer sends to each current securityholder of the Top Fund, within one month from the date of this decision, the New Fund-on-Fund Disclosure to the extent that it is different from the Previous Fund-on-Fund Disclosure.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Timothy Moseley"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Transition Therapeutics Inc.

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).

September 27, 2016

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
TRANSITION THERAPEUTICS INC.
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdiction in Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. 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;

3. 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;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

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

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"Sonny Randhawa"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.2 Zulutoys Limited and RBOptions – ss. 127(1), 127(10)

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

AND

**IN THE MATTER OF
ZULUTOYS LIMITED and
RBOPTIONS**

**ORDER
(Subsections 127(1) and 127(10) of the Securities Act)**

WHEREAS:

1. on August 30, 2016, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on August 29, 2016 with respect to Zulutoys Limited ("Zulutoys") and RBOptions;

2. Zulutoys and RBOptions are subject to an order made by the Financial and Consumer Affairs Authority of Saskatchewan dated April 28, 2016 that imposes sanctions, conditions, restrictions and requirements upon each of Zulutoys and RBOptions, within the meaning of paragraph 4 of the Act (the "FCAA Order");

3. on September 27, 2016, Staff: (i) appeared before the Commission and made submissions; and (ii) marked as Exhibit 2 a hearing brief, including a consent from Zulutoys and RBOptions consenting to the making of this Order, which reciprocates the FCAA Order; and

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

IT IS ORDERED:

1. against Zulutoys that:

   a. trading in any securities or derivatives by Zulutoys shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

   b. trading in any securities of Zulutoys shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

   c. the acquisition of any securities by Zulutoys is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act; and

   d. any exemptions contained in Ontario securities law do not apply to Zulutoys permanently, pursuant to paragraph 3 of subsection 127(1) of the Act; and

2. against RBOptions that:

   a. trading in any securities or derivatives by RBOptions shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

   b. trading in any securities of RBOptions shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

   c. the acquisition of any securities by RBOptions is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act; and

   d. any exemptions contained in Ontario securities law do not apply to RBOptions permanently, pursuant to paragraph 3 of subsection 127(1) of the Act.

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

"Christopher Portner"

2.2.3 RTG Direct Trading Group Ltd. and RTG Direct Trading Limited

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

AND

IN THE MATTER OF
RTG DIRECT TRADING GROUP LTD. and
RTG DIRECT TRADING LIMITED

ORDER

WHEREAS:

1. On August 29, 2016, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations, in which Staff seeks an order against RTG Direct Trading Group Ltd. ("RTG Group Ltd.") and RTG Direct Trading Limited ("RTG Limited") (together, the "Respondents"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5;

2. On August 30, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting September 27, 2016 as the date of the hearing;

3. On September 22, 2016, Staff filed an affidavit of service sworn by Lee Crann on September 22, 2016, describing steps taken by Staff to serve the Respondents with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials;

4. At the hearing on September 27, 2016:

   a. Staff appeared before the Commission and made submissions;

   b. the Respondents did not appear or make submissions, although properly served; and

   c. Staff applied to continue this proceeding by way of a written hearing, in accordance with Rule 11.5 of the Commission's *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22; and

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

IT IS ORDERED THAT:

1. Staff's application to continue this proceeding by way of a written hearing is granted;

2. Staff's materials shall be served and filed no later than October 7, 2016;

3. The Respondents' responding materials, if any, shall be served and filed no later than October 21, 2016; and

4. Staff's reply materials, if applicable, shall be served and filed no later than October 28, 2016.

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

"Christopher Portner"

2.2.4 Steven J. Martel et al. – s. 127

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

AND

**IN THE MATTER OF
STEVEN J. MARTEL,
MARTEL GROUP OF COMPANIES INC. and
8446997 CANADA INC.**

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

WHEREAS:

1. on March 29, 2016, Staff of the Ontario Securities Commission filed a Statement of Allegations seeking orders against the following Respondents: Man Camp Master Limited Partnership, Man Camp Limited Partnership #1, Man Camp Limited Partnership #2, Man Camp Limited Partnership #3, Man Camp Limited Partnership #4 (collectively, the "MCLPs"), Steven J. Martel ("Martel"), Martel Group of Companies Inc. ("MGC"), and 8446997 Canada Inc. ("844 Inc.");

2. on March 29, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting April 15, 2016 as the hearing date;

3. on April 15, 2016, Staff and an agent for Martel attended the hearing and no one appeared on behalf of the other Respondents (i.e., the MCLPs, MGC and 844 Inc.), although properly served. The Commission ordered that:

   a) by May 13, 2016, Staff shall provide disclosure to the Respondents of documents and things in the possession or control of Staff that are relevant to the hearing;

   b) this matter be adjourned to a second appearance on August 10, 2016 or to such other date as may be agreed to by the parties and set by the Office of the Secretary (the "Second Appearance"); and

   c) at least five (5) days before the next hearing date, Staff will provide the Respondents with their witness lists and indicate any intent to call an expert witness, including the name of the expert witness and the issue on which the expert will be giving evidence;

4. on July 22, 2016, Staff filed with the Commission:

   a) a Notice of Withdrawal withdrawing the allegations against the MCLPs; and

   b) an Amended Statement of Allegations withdrawing certain allegations against the remaining Respondents;

5. on August 10, 2016, Staff and counsel for Martel attended the Second Appearance and no one appeared on behalf of the remaining Respondents (i.e., MGC and 844 Inc.), although properly served. Staff and counsel for Martel requested the scheduling of a pre-hearing conference. The Commission ordered that the matter be adjourned to a pre-hearing conference on September 27, 2016 at 10:00 a.m.;

6. on September 27, 2016, Staff and counsel for Martel attended a pre-hearing conference and no one appeared on behalf of the remaining Respondents (i.e., MGC and 844 Inc.), although properly served. Staff and counsel requested the scheduling of a pre-hearing conference and a Third Appearance; and

7. the Panel considered the submissions of Staff and counsel for Martel and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that:

1. this matter is adjourned to a further pre-hearing conference on November 4, 2016 at 10:00 a.m., or such other date as may be agreed to by the parties and set by the Office of the Secretary;

2. the Third Appearance in this matter will be held on December 12, 2016 at 2:00 p.m., or such other date as may be agreed to by the parties and set by the Office of the Secretary; and

3. the Respondents shall make disclosure to Staff, by no later than 30 days before the date of the Third Appearance, of their witness lists and summaries and indicate any intention to call an expert witness, in which event they shall provide Staff with the name of the expert and state the issue or issues on which the expert will be giving evidence.

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

"D. Grant Vingoe"

2.2.5 Argentex Mining Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to 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).

September 28, 2016

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ARGENTEX MINING CORPORATION
(the Filer)

ORDER

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Ontario, and Newfoundland and Labrador, and

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

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

2. 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;

3. 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;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

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

Order

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

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

"Andrew S. Richardson, CPA, CA"
Acting Director, Corporate Finance
British Columbia Securities Commission

2.2.6 Thomson Reuters Corporation – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – Issuer proposes to purchase, at a discounted purchase price, up to 2,000,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in accordance with the TSX rules governing normal course issuer bids, in reliance on the issuer bid exemption in subsection 4.8(2) of NI 62-104 – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and no common shares have been purchased by the selling shareholder for a minimum of 30 days prior to the date of the application seeking the requested relief in anticipation or contemplation of a sale of common shares by the selling shareholder to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or other security holders – proposed purchases exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

IN THE MATTER OF
THOMSON REUTERS CORPORATION

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Thomson Reuters Corporation (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 2,000,000 (the "**Subject Shares**") of the Issuer's common shares (the "**Common Shares**") in one or more trades with Royal Bank of Canada (the "**Selling Shareholder**");

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

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

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

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

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

4. The Issuer's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of preference shares, issuable in series, and one Thomson Reuters Founders Share, of which 740,953,587 Common Shares, 6,000,000 series II preference shares and one Thomson Reuters Founders Share were issued and outstanding as of September 1, 2016.

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

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

7. The Selling Shareholder is the beneficial owner of at least 2,000,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

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

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

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

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

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX, dated May 24, 2016 (the "**Notice**"), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the "**Normal Course Issuer Bid**"), during the 12-month period beginning on May 30, 2016 and ending on May 29, 2017, up to a maximum of 37,500,000 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX, the NYSE and/or other exchanges and alternative trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE or under applicable law by a registered investment dealer (or an affiliate of the dealer) in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**"). The TSX has been advised of the Issuer's intention to enter into the Proposed Purchases and has confirmed that it has no objection to the Proposed Purchases.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases, each occurring by May 29, 2017 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.

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

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

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104.

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

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

19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

20. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect

control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then-prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

21. To the best of the Issuer's knowledge, as of September 1, 2016, the "public float" for the Common Shares represented approximately 39.12% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

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

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

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

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

26. The Issuer has made one other application to the Commission for exemptive relief from the Issuer Bid Requirements in respect of the proposed purchases by the Issuer of up to 4,500,000 Common Shares from one holder of Common Shares, pursuant to one or more private agreements (the "**Concurrent Application**"). As of September 1, 2016, the Issuer has acquired a total of 10,484,871 Common Shares pursuant to the Normal Course Issuer Bid, none of which were acquired pursuant to Off-Exchange Block Purchases.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 12,500,000 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Application.

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

29. No Agreement will be negotiated or entered into during a Blackout Period. If a Blackout Period is in effect, the Issuer will not purchase Subject Shares pursuant to the Proposed Purchases until the later of (a) the end of such Blackout Period, and (b) the passage of two clear trading days from the date of the dissemination to the public of the Issuer's financial results and/or any and all "material changes" or any "material facts" (each as defined in the Act) in respect of the Issuer or the Common Shares relating to such Blackout Period.

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 2,000,000 Common Shares, and the maximum number of Common Shares that are the subject of

the Concurrent Application, being 4,500,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 6,500,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 17.3% of the maximum of 37,500,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

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

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

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

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

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

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

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

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

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 12,500,000 Common Shares; and

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

DATED at Toronto this 23rd day of September, 2016.

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

2.2.7 Thomson Reuters Corporation – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – Issuer proposes to purchase, at a discounted purchase price, up to 4,500,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in accordance with the TSX rules governing normal course issuer bids, in reliance on the issuer bid exemption in subsection 4.8(2) of NI 62-104 – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and no common shares have been purchased by the selling shareholder for a minimum of 30 days prior to the date of the application seeking the requested relief in anticipation or contemplation of a sale of common shares by the selling shareholder to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or other security holders – proposed purchases exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Statutes Cited

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

IN THE MATTER OF
THOMSON REUTERS CORPORATION

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Thomson Reuters Corporation (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 4,500,000 (the "**Subject Shares**") of the Issuer's common shares (the "**Common Shares**") in one or more trades with National Bank of Canada (the "**Selling Shareholder**");

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

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

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

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

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

4. The Issuer's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of preference shares, issuable in series, and one Thomson Reuters Founders Share, of which 740,953,587 Common Shares, 6,000,000 series II preference shares and one Thomson Reuters Founders Share were issued and outstanding as of September 1, 2016.

5. The corporate headquarters of the Selling Shareholder is located in the Province of Quebec. The trades contemplated by this application will be executed and settled in the Province of Ontario. The Issuer has been advised that the Selling Shareholder's Toronto branch office located in the Province of Ontario intends to undertake the negotiation, execution and delivery of each Agreement (defined below) and the execution and settlement of the trade contemplated thereunder.

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

7. The Selling Shareholder is the beneficial owner of at least 4,500,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

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

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

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

11. Pursuant to the terms of a "Notice of Intention to Make a Normal Course Issuer Bid" filed with, and accepted by, the TSX, dated May 24, 2016 (the "**Notice**"), the Issuer is permitted to make purchases pursuant to a normal course issuer bid (the "**Normal Course Issuer Bid**"), during the 12-month period beginning on May 30, 2016 and ending on May 29, 2017, up to a maximum of 37,500,000 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as at the date specified in the Notice. The Issuer may make purchases under the Normal Course Issuer Bid through the facilities of the TSX, the NYSE and/or other exchanges and alternative trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE or under applicable law by a registered investment dealer (or an affiliate of the dealer) in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"), including by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an "**Off-Exchange Block Purchase**"). The TSX has been advised of the Issuer's intention to enter into the Proposed Purchases and has confirmed that it has no objection to the Proposed Purchases.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by way of one or more purchases, each occurring by May 29, 2017 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.

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

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

15. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in clause 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104.

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

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

19. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accor-

dance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

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

21. To the best of the Issuer's knowledge, as of September 1, 2016, the "public float" for the Common Shares represented approximately 39.12% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

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

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

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

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

26. The Issuer has made one other application to the Commission for exemptive relief from the Issuer Bid Requirements in connection with the proposed purchase by the Issuer of up to 2,000,000 Common Shares from one holder of Common Shares, pursuant to one or more private agreements (the "**Concurrent Application**"). As of September 1, 2016, the Issuer has acquired a total of 10,484,871 Common Shares pursuant to the Normal Course Issuer Bid, none of which were acquired pursuant to Off-Exchange Block Purchases.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to 12,500,000 Common Shares as of the date of this Order, taking into account, for greater certainty, the Subject Shares and the Common Shares which are the subject of the Concurrent Application.

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

29. No Agreement will be negotiated or entered into during a Blackout Period. If a Blackout Period is in effect, the Issuer will not purchase Subject Shares pursuant to the Proposed Purchases until the later of (a) the end of such Blackout Period, and (b) the passage of two clear trading days from the date of the dissemination to the public of the Issuer's

financial results and/or any and all "material changes" or any "material facts" (each as defined in the Act) in respect of the Issuer or the Common Shares relating to such Blackout Period.

30. Assuming completion of the purchase of the maximum number of Subject Shares, being 4,500,000 Common Shares, and the maximum number of Common Shares that are the subject of the Concurrent Application, being 2,000,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 6,500,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 17.3% of the maximum of 37,500,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

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

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

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

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

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

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

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

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

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 12,500,000 Common Shares; and

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

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

DATED at Toronto this 23rd day of September, 2016.

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

2.2.8 TransCanada PipeLines Limited and TransCanada Trust

Headnote

Application by a reporting issuer and a capital trust (the Trust) for an order granting the Trust relief from the requirement in OSC Rule 13-502 Fees (the Fees Rule) to pay participation fees – Relief analogous to relief for "subsidiary entities" contained in section 2.4(1) of the Fees Rule – Trust may not, from a technical accounting perspective, be entitled to rely on the exemption in section 2.4(1)(b) of the Fees Rule – Trust and reporting issuer meet all of the substantive requirements to rely on the exemption in section 2.4(1) but for the requirement that applicable accounting standards require the consolidation of the parent and the subsidiary entity – Trust exempt from requirement to pay participation fees, subject to conditions.

Applicable Legislative Provisions

OSC Rule 13-502 Fees, s. 2.4.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES

AND

IN THE MATTER OF
TRANSCANADA PIPELINES LIMITED
AND
TRANSCANADA TRUST

ORDER

WHEREAS the Ontario Securities Commission (the **OSC**) has received an application from TransCanada PipeLines Limited (**TCPL**) and TransCanada Trust (the **Trust**) for an order, pursuant to section 8.1 of OSC Rule 13-502 *Fees* (the **Fees Rule**), that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust, subject to certain terms and conditions.

AND WHEREAS TCPL and the Trust have represented to the OSC that:

1. The Trust is a trust established under the laws of Ontario pursuant to a declaration of trust, dated September 16, 2014, as amended, restated or supplemented from time to time.

2. The Trust's head and registered office is located in Calgary, Alberta.

3. The Trust has a financial year end of December 31.

4. The Trust is a reporting issuer in each of the provinces and territories of Canada (the **Reporting Jurisdictions**). The Trust is not in default of

any requirement of the securities legislation in the Reporting Jurisdictions.

5. Pursuant to an administration agreement dated as of September 16, 2014 between Valiant Trust Company, as trustee of the Trust (the **Trustee**) and TCPL, the Trustee has delegated to TCPL certain of its duties in relation to the administration of the Trust. TCPL, as administrative agent, provides advice and counsel with respect to management of the assets of the Trust and other matters as may be requested by the Trustee from time to time and administers the day-to-day operations of the Trust.

6. As of the date hereof, the capital of the Trust consists of Trust Notes – Series 2015-A (the **Series 2015-A**) and voting trust units (the **Voting Trust Units** and collectively with the Series 2015-A, the **Trust Securities**). No Trust Securities are currently listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

7. The Trust is a single purpose vehicle established for the purpose of effecting offerings of Trust Securities in order to provide TCPL with a cost effective means of raising capital by means of

   a. creating and selling the Trust Securities; and

   b. acquiring and holding assets, which will consist primarily of one or more subordinated notes of TCPL (each, a **TCPL Sub Note**) and certain other eligible assets (as described in the Prospectus) (collectively, the **Trust Assets**).

8. The Trust, pursuant to section 13.4 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), relies on the continuous disclosure documents filed by TCPL.

9. TCPL is a wholly owned subsidiary of TransCanada Corporation (**TCC**).

10. The TCPL Sub Notes are included in calculated participation fee payable by TCC, and the TCPL Sub notes are substantially the same as Series 2015-A.

11. TCPL, as a legal matter, controls the Trust through its ownership of the Voting Trust Units issued by the Trust.

12. TCC has paid, and will continue to pay, participation fees applicable to it under section 2.2(1) of the Fees Rule. TCPL relies on the fees paid by TCC, pursuant to section 2.4 of the Fees Rule.

13. The Trust is a "Class 2 reporting issuer" under the Fees Rule and would be required (but for this Order) to pay participation fees under such rule.

14. The Fees Rule includes an exemption for "subsidiary entities" in subsection 2.4(1) of the Fees Rule. TCC, TCPL and the Trust meet all of the substantive requirements to rely on the exemption in subsection 2.4(1) of the Fees Rule, but for (a) the requirement in subsection 2.4(1)(b) that the accounting standards to which the parent's financial statements are prepared in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* require the consolidation of the parent and the subsidiary entity, and (b) the requirement in subsection 2.4(i)(d), that the capitalization of the parent for the previous financial year included the capitalization of the subsidiary.

15. The Fees Rule defines "subsidiary entity" by reference to the accounting definition under the generally accepted accounting principles applying to the person or company, rather than by reference to a legal definition based on control.

16. TCC includes the TCPL Sub Notes in its capitalization, and the TCPL Sub Notes are substantially the same as the Series-A. Therefore the capitalization of TCC effectively includes the Series 2015-A.

17. The Trust is a variable interest entity (**VIE**) under U.S. GAAP. According to the VIE model under U.S. GAAP, neither TCC nor TCPL may consolidate the Trust because the assets of the Trust consist primarily of the TCPL Sub Notes, which are liabilities of TCPL. As a result, the Trust is not, from a technical accounting perspective entitled to rely on the exemption in subsection 2.4(1) of the Fees Rule. However, despite this accounting treatment, the Trust is considered a subsidiary of TCPL and TCC (as such term is defined in the *Securities Act* (Ontario)), due to the fact that TCPL controls the Trust for the purposes of Section 4 of the *Securities Act* (Ontario) and TCPL is controlled by TCC.

THE ORDER of the Commission under the Fees Rule is that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust, for so long as:

(a) the Trust continues to rely on the exemption in Section 13.4 of NI 51-102 and the Trust and TCPL satisfy all of the conditions of Section 13.4 of NI 51-102;

(b) the Trust does not carry on any operating activity other than in connection with offerings of its securities and the Trust has minimal assets, operations, revenues or cash flows other than those related to

the TCPL Sub Notes and any additional subordinated notes of TCPL that may be issued, from time to time, to the Trust or the issuance, administration and repayment of Trust Securities;

(c) the capitalization of the TCPL Sub Notes and any additional subordinated notes of TCPL that may be issued, from time to time, to the Trust is substantially the same as the capitalization of the all outstanding securities of the Trust, other than the Voting Trust Units; and

(d) the capitalization of the TCPL Sub Notes and any additional subordinated notes of TCPL that may be issued, from time to time, to the Trust is included in the participation fee calculation applicable to TCC and TCC has paid the participation fee calculated on this basis.

Dated this 28th day of September, 2016.

"Winnie Sanjoto"
Manager, Corporate Finance
Ontario Securities Commission

2.2.9 Superior Copper Corporation – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
SUPERIOR COPPER CORPORATION
(the "Applicant")

ORDER
(Subsection 1(6) of the OBCA)

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares (the "**Shares**"). The Applicant has no outstanding securities, including debt securities, other than the Shares.

2. The head office of the Applicant is located at 141 Adelaide St. West, Suite 301, Toronto, ON M5C 2X8.

3. On May 27, 2016, an amalgamation was carried out pursuant to Section 175 of the OBCA and was effected in accordance with a master agreement entered into among the Applicant, Nighthawk Gold Corp. ("**Nighthawk**") and 2504106 Ontario Inc., a wholly-owned subsidiary of Nighthawk ("**NumCo**") dated May 27, 2016, pursuant to which the Applicant and NumCo amalgamated and the resulting entity became a wholly-owned subsidiary of Nighthawk (the "**Amalgamation**").

4. As of the date of this order, all of the issued and outstanding Shares are beneficially owned by Nighthawk.

5. The Shares were delisted from the TSX Venture Exchange on May 30, 2016.

6. 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.

7. Pursuant to a decision made on September 26, 2016 by the Commission, the Applicant ceased to be a reporting issuer in the provinces of British Columbia, Alberta and Ontario (the "**Jurisdictions**"). As a result, the Applicant is not a reporting issuer or equivalent in any jurisdiction in Canada.

8. The Applicant is not in default of any of the applicable requirements under the legislation of each Jurisdiction.

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

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

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

DATED at Toronto on this 30th day of September, 2016.

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

This page intentionally left blank

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

THERE IS NOTHING TO REPORT THIS WEEK. Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Carlyle Entertainment Ltd.	02 Sept 2016	29 Sept 2016

THERE IS NOTHING TO REPORT THIS WEEK.

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AlarmForce Industries Inc.	19 Sept 2016	30 Sept 2016	30 Sept 2016		
NioCorp Developments Ltd.	03 October 2016	14 October 2016			
Reservoir Capital Corp.	12 Sept 2016	23 Sept 2016	23 Sept 2016	29 Sept 2016	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AlarmForce Industries Inc.	19 Sept 2016	30 Sept 2016	30 Sept 2016		
iSIGN Media Solutions Inc.	09 Sept 2016	21 Sept 2016	21 Sept 2016		
NioCorp Developments Ltd.	03 October 2016	14 October 2016			
Reservoir Capital Corp.	12 Sept 2016	23 Sept 2016	23 Sept 2016	29 Sept 2016	
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		

This page intentionally left blank

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:
Bank of Nova Scotia, The
Principal Regulator – Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated September 28, 2016
NP 11-202 Receipt dated September 29, 2016
Offering Price and Description:
$2,000,000,000.00 – Senior Notes (Principal at Risk Notes)
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
LAURENTIAN BANK SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
DESJARDINS SECURITIES INC.
Promoter(s):
-
Project #2537743

Issuer Name:
Brand Leaders Plus Income ETF
Energy Leaders Plus Income ETF
Healthcare Leaders Income ETF
US Buyback Leaders ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 27, 2016
NP 11-202 Receipt dated September 27, 2016
Offering Price and Description:
Class A and Class U Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Harvest Portfolios Group Inc.
Project #2536861

Issuer Name:
Caterpillar Financial Services Limited
Principal Regulator – Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated September 29, 2016
NP 11-202 Receipt dated September 29, 2016
Offering Price and Description:
Cdn$1,500,000,000.00 – Medium Term Notes (unsecured)
Unconditionally guaranteed as to principal, premium (if any), interest and certain other amounts by
CATERPILLAR FINANCIAL SERVICES CORPORATION
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2538011

Issuer Name:
Mackenzie Canadian Growth Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 30, 2016
NP 11-202 Receipt dated October 3, 2016
Offering Price and Description:
Quadrus series, D5 series, D8 series, H series, H5 series, L series, L5 series, L8 series, N series, N5 series, QF series, and QF5 series Securities.
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
none
Promoter(s):
Mackenzie Financial Corporation
Project #2538654

Issuer Name:
Pro Real Estate Investment Trust
Principal Regulator – Quebec
Type and Date:
Preliminary Short Form Prospectus dated September 30, 2016
NP 11-202 Receipt dated September 30, 2016
Offering Price and Description:
$25,200,000.00 – 11,200,000 Trust Units
Price: $2.25 Per Trust Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
TD SECURITIES INC.
SCOTIA CAPITAL INC.
HAYWOOD SECURITIES INC.
BMO NESBITT BURNS INC.
INDUSTRIAL ALLIANCE SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
LAURENTIAN BANK SECURITIES INC.
LEEDE JONES GABLE INC.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #2536568

Issuer Name:
Tangerine Dividend Portfolio
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 29, 2016
NP 11-202 Receipt dated September 29, 2016
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Tangerine Investment Funds Limited
Promoter(s):
Tangerine Investment Management Inc.
Project #2537959

Issuer Name:
Aston Hill Canadian Total Return Fund (Series A, UA, TA6, F, UF, TF6 and I units)
Aston Hill Canadian Total Return Class (Series A, TA6, F, TF6 and I shares)
Aston Hill Total Return Fund (Series A, UA, TA6, F, UF, TF6 and I units)
Aston Hill Total Return Class (Series A, TA6, F, TF6 and I shares)
Aston Hill Corporate Bond Fund (Series A, F and I units)
Aston Hill Global Resource Fund (Series A, F and I units)
Aston Hill Strategic Yield Fund (Series A, UA, TA6, F, UF, TF6, I and Y units)
Aston Hill Strategic Yield Class (Series A, TA6, F, TF6 and I shares)
Aston Hill U.S. Conservative Growth Fund (formerly Aston Hill U.S. Growth Fund) (Series A,
UA, TA6, F, UF, TF6 and I units)
Aston Hill U.S. Conservative Growth Class (formerly Aston Hill U.S. Growth Class) (Series A,
TA6, F, TF6 and I shares)
Aston Hill Voya Floating Rate Income Fund (Series A, F and I units)
Aston Hill Millennium Fund (Series A, F and I units)
Aston Hill High Income Fund (Series A, UA, TA6, F, UF, TF6, I and X units)
Aston Hill High Income Class (Series A, TA6, F, TF6 and I shares)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated September 19, 2016 to the Annual Information Form dated May 12, 2016
NP 11-202 Receipt dated September 27, 2016
Offering Price and Description:
Series A, UA, TA6, F, UF, TF6, I, X and Y units and Series A, TA6, F, TF6 and I shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Aston Hill Asset Management Inc.
Aston Hill Asset Management Inc.
Promoter(s):
Aston Hill Asset Management Inc.
Project #2469292

Issuer Name:
BMG BullionFund
(Offering Class A, Class B1, Class B2, Class B3, Class C1, Class C2, Class C3 and Class F
Units)
BMG Gold BullionFund
(Offering Class A, Class B1, Class B2, Class B3, Class C1, Class C2, Class C3 and Class F
Units)
BMG Silver BullionFund
(Offering Class A, Class B1, Class B2, Class B3, Class C1, Class C2, Class C3 and Class F
Units)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectuses dated September 26, 2016
NP 11-202 Receipt dated September 27, 2016
Offering Price and Description:
Class A, Class B1, Class B2, Class B3, Class C1, Class C2, Class C3 and Class F Units
Underwriter(s) or Distributor(s):
Bullion Management Services Inc.
Promoter(s):
Bullion Management Services Inc.
Project #2519282

Issuer Name:
BMO Global Monthly Income Fund
(Series A, T6 and I securities)
BMO Monthly Income Fund
(Series A, T6, F, F6, D and I securities)
BMO U.S. Equity Fund
(Series A, Series A (Hedged), Series F, Series F (Hedged), Series D, Series I, Series N, Series
NBA, Series NBF, Advisor Series and Advisor Series (Hedged))
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated September 23, 2016 to the Simplified Prospectuses and Annual Information Form dated April 19, 2016
NP 11-202 Receipt dated October 3, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
BMO Investments Inc.
Guardian Group of Funds Ltd.
Promoter(s):
BMO Investments Inc.
BMO Global Tax Advantage Funds Inc.
Project #2453803

Issuer Name:
Series B, Series S5, Series S8, Series I, Series I5, Series I8, Series F,
Series F5 and Series F8 Securities (unless otherwise indicated) of
Fidelity Canadian Equity Private Pool*
Fidelity Concentrated Canadian Equity Private Pool*
Fidelity U.S. Equity Private Pool*
Fidelity U.S. Equity Currency Neutral Private Pool*
Fidelity International Equity Private Pool*
Fidelity International Equity Currency Neutral Private Pool*
Fidelity Global Equity Private Pool*
Fidelity Global Equity Currency Neutral Private Pool*
Fidelity Concentrated Value Private Pool*
Fidelity U.S. Dividend Private Pool
Fidelity Balanced Income Private Pool*
Fidelity Balanced Income Currency Neutral Private Pool*
Fidelity Balanced Private Pool*
Fidelity Balanced Currency Neutral Private Pool*
Fidelity Asset Allocation Private Pool*
Fidelity Asset Allocation Currency Neutral Private Pool*
Fidelity U.S. Growth and Income Private Pool
Fidelity Conservative Income Private Pool
Fidelity Premium Fixed Income Private Pool (available in Series B, Series I and Series F only)
Fidelity Premium Money Market Private Pool (available in Series B, Series I, Series D and
Series F only)
Fidelity Premium Fixed Income Private Pool Class*
(available in Series B, Series I, Series F,
Series S5, Series I5 and Series F5 only)
Fidelity Premium Tactical Fixed Income Private Pool
(available in Series B, Series I and Series
F only)
Fidelity Canadian Equity Investment Trust (available in Series O only)
Fidelity Concentrated Canadian Equity Investment Trust (available in Series O only)
Fidelity U.S. Equity Investment Trust (available in Series O only)
Fidelity International Equity Investment Trust (available in Series O only)
Fidelity Global Equity Investment Trust (available in Series O only)
Fidelity Emerging Markets Debt Investment Trust (available in Series O only)
Fidelity Emerging Markets Equity Investment Trust (available in Series O only)
Fidelity Floating Rate High Income Investment Trust (available in Series O only)
Fidelity High Income Commercial Real Estate Investment Trust (available in Series O only)
Fidelity Convertible Securities Investment Trust (available in Series O only)
Fidelity U.S. Small/Mid Cap Equity Investment Trust (available in Series O only)
Fidelity Concentrated Value Investment Trust (available in Series O only)
Fidelity Global High Yield Investment Trust (available in Series O only)
Fidelity U.S. Multi-Cap Investment Trust (available in Series O only)

Fidelity International Growth Investment Trust (available in Series O only)
Fidelity U.S. Bond Investment Trust (available in Series O only)
(* Class of Fidelity Capital Structure Corp.)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectuses dated September 29, 2016
NP 11-202 Receipt dated October 3, 2016
Offering Price and Description:
Series B, Series S5, Series S8, Series I, Series I5, Series I8, Series F, Series F5, Series F8, Series B, Series I, Series D, Series S5, Series I5 and Series F5 Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Promoter(s):
FIDELITY INVESTMENTS CANADA ULC
Project #2515520

Issuer Name:
First Trust Canadian Capital Strength Portfolio
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated September 30, 2016
NP 11-202 Receipt dated October 3, 2016
Offering Price and Description:
Series A Units and Series F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
FT Portfolios Canada Co.
Promoter(s):
FT PORTFOLIOS CANADA CO.
Project #2523690

Issuer Name:
Frontenac Mortgage Investment Corporation
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated September 23, 2016
NP 11-202 Receipt dated September 28, 2016
Offering Price and Description:
Common shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2521646

Issuer Name:
Gazit-Globe Ltd.
Gazit Canada Financial Inc.
Principal Regulator – Ontario
Type and Date:
Final Base Shelf Prospectus dated September 27, 2016
NP 11-202 Receipt dated September 28, 2016
Offering Price and Description:
$500,000,000
Ordinary Shares
Preferred Shares
Warrants
Subscription Receipts
Units
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2507283; 2507280

Issuer Name:
Just Energy Group Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated September 28, 2016
NP 11-202 Receipt dated September 28, 2016
Offering Price and Description:
$160,000,000.00 – 6.75% Convertible Unsecured Senior Subordinated Debentures
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
HSBC SECURITIES (CANADA) INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
ALTACORP CAPITAL INC.
Promoter(s):
-
Project #2534196

Issuer Name:
Mainstreet Health Investments Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated September 29, 2016
NP 11-202 Receipt dated September 29, 2016
Offering Price and Description:
US$65,044,000.00 – 6,440,000 Subscription Receipts
Price: US$10.10 per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
Promoter(s):
MAINSTREET INVESTMENT COMPANY, LLC
Project #2534129

Issuer Name:
Manitok Energy Inc.
Principal Regulator – Alberta
Type and Date:
Final Base Shelf Prospectus dated September 28, 2016
NP 11-202 Receipt dated September 28, 2016
Offering Price and Description:
$150,000,000.00
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2534391

Issuer Name:
Milestone Apartments Real Estate Investment Trust
Principal Regulator – Ontario
Type and Date:
Final Base Shelf Prospectus dated September 30, 2016
NP 11-202 Receipt dated September 30, 2016
Offering Price and Description:
C$750,000,000.00
Units
Debt Securities
Warrants
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2535251

Issuer Name:
NEI Global Strategic Yield Fund (Series A, Series T, Series F, Series I, Series P and Series PF
units)
NEI Conservative Yield Portfolio (Series A, Series F, Series P and Series PF units)
NEI Northwest Growth and Income Fund (Series A, Series T, Series F and Series I units)
NEI Ethical Select Income Portfolio (Series A, Series B and Series F units)
NEI Ethical Select Conservative Portfolio (Series A and Series F units)
NEI Ethical Select Balanced Portfolio (Series A and Series F units)
NEI Ethical Select Growth Portfolio (Series A and Series F units)
NEI Select Conservative Portfolio (Series A, Series B and Series F units)
NEI Select Balanced Portfolio (Series A, Series B and Series F units)
NEI Select Growth Portfolio (Series A, Series B and Series F units)
NEI Select Global Maximum Growth Portfolio (Series A, Series B and Series F units)
NEI Northwest Growth and Income Corporate Class (Series A, Series T and Series F shares)
NEI Select Conservative Corporate Class Portfolio (Series A, Series T and Series F shares)
NEI Select Balanced Corporate Class Portfolio (Series A, Series T and Series F shares)
NEI Select Growth Corporate Class Portfolio (Series A and Series F shares)
NEI Select Global Maximum Growth Corporate Class Portfolio (Series A and Series F shares)
Principal Regulator – Ontario
Type and Date:
Amendment No. 2 dated September 23, 2016 to the Simplified Prospectuses of NEI Conservative Yield Portfolio, NEI Northwest Growth and Income Fund and NEI Northwest Growth and Income Corporate Class dated June 10, 2016 and Amendment No. 2 dated September 23, 2016 to the Annual Information Form dated June 10, 2016 (amendment no. 2)
NP 11-202 Receipt dated September 28, 2016

Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management
Promoter(s):
-
Project #2477315

Issuer Name:
NexGen Canadian Bond Fund
NexGen Canadian Bond Tax Managed Fund
NexGen Corporate Bond Fund (to be renamed, Loomis Sayles Global Diversified Corporate Bond Fund)
NexGen Corporate Bond Tax Managed Fund (to be renamed, Loomis Sayles Global Diversified Corporate Bond Tax Managed Fund)
NexGen Turtle Canadian Balanced Registered Fund (to be renamed, Natixis Strategic Balanced Registered Fund)
NexGen Turtle Canadian Balanced Tax Managed Fund (to be renamed, Natixis Strategic Balanced Tax Managed Fund)
NexGen Canadian Diversified Income Registered Fund
NexGen Canadian Diversified Income Tax Managed Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated September 22, 2016 to the Simplified Prospectuses and Annual Information Form dated June 10, 2016
NP 11-202 Receipt dated October 3, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
NGAM CANADA LP
NGAM Canada LP
NGAM Canada LP
Promoter(s):
NGAM CANADA LP
Project #2480155

Issuer Name:
Picton Mahoney Fortified Equity Fund
Picton Mahoney Fortified Income Fund
Picton Mahoney Fortified Multi-Asset Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated September 23, 2016 to the Annual Information Form dated August 19, 2016
NP 11-202 Receipt dated September 28, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Picton Mahoney Asset Management
Project #2509737

Issuer Name:
RBC Retirement Income Solution (Series A, Advisor Series, Series T5, Series F, Series FT5 and Series O units)
RBC Retirement 2020 Portfolio (Series A, Advisor Series, Series T5, Series F, Series FT5 and Series O units)
RBC Retirement 2025 Portfolio (Series A, Advisor Series, Series F and Series O units)
RBC Retirement 2030 Portfolio (Series A, Advisor Series, Series F and Series O units)
RBC Retirement 2035 Portfolio (Series A, Advisor Series, Series F and Series O units)
RBC Retirement 2040 Portfolio (Series A, Advisor Series, Series F and Series O units)
RBC Retirement 2045 Portfolio (Series A, Advisor Series, Series F and Series O units)
RBC Retirement 2050 Portfolio (Series A, Advisor Series, Series F and Series O units)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectuses dated October 27, 2016
NP 11-202 Receipt dated October 3, 2016
Offering Price and Description:
Series A, Advisor Series, Series T5, Series F, Series FT5 and Series O units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Royal Mutual Funds Inc.
RBC Global Asset Management Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2519732

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	PACE Securities Corp.	From: Investment Dealer To: Investment Fund Manager and Investment Dealer	September 27, 2016
Change in Registration Category	Glidepath Portfolio Services Inc.	From: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager To: Portfolio Manager	September 27, 2016
Consent to Suspension (Pending Surrender)	Veritas Investment Research Corporation	Exempt Market Dealer and Portfolio Manager	September 27, 2016
Change in Registration Category	J.P. Morgan Securities Canada Inc.	From: Investment Dealer To: Futures Commission Merchant and Investment Dealer	September 28, 2016
Consent to Suspension (Pending Surrender)	City of London Investment Management Company Limited	Exempt Market Dealer	September 30, 2016
Voluntary Surrender	Greenback Capital Management Inc.	Exempt Market Dealer	September 30, 2016

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Aequitas NEO Exchange Inc. – Withdrawal of Proposed Changes to Trading Fees

AEQUITAS NEO EXCHANGE INC.

WITHDRAWAL OF PROPOSED CHANGES TO TRADING FEES

Aequitas NEO Exchange Inc. (NEO Exchange) is withdrawing proposed amendments to its trading fees in accordance with the *Process for Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*. The proposed amendments were published for comment on June 30, 2016 and can be found at (2016), 39 OSCB 6291.

A copy of the NEO Exchange notice reflecting the withdrawal is published on our website at www.osc.gov.on.ca.

This page intentionally left blank

Chapter 25

Other Information

25.1 Permissions

25.1.1 Pacific Exploration & Production Corporation

Headnote

Filer granted permission from the Director, pursuant to s. 38(3) of the Securities Act (Ontario), to make listing representations in its non-offering prospectus to the effect that application has been made to admit the filer's secured notes to listing on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF Market.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 38(3).

September 30, 2016

Norton Rose Fulbright Canada LLP
200 Bay Street, Suite 3800
Royal Bank Plaza, South Tower
Toronto, Ontario
M5J 2Z4

Attention: Ms. Jenny Yoo

Re: Pacific Exploration & Production Corporation

Application for Permission to Make a Listing Representation

Further to your letter submitted on behalf of Pacific Exploration & Production Corporation (the **Corporation**) dated September 16, 2016 (the **Application**), we understand that:

1. The Corporation is incorporated in the province of British Columbia under the *Business Corporations Act* (British Columbia) with corporation number BC0989606.

2. The common shares of the Corporation were listed on the Toronto Stock Exchange (**TSX**) under stock symbol PRE until May 25, 2016, on which date the common shares were delisted. The Corporation remains listed on the Colombia stock exchange (*La Bolsa de Valores de Colombia*) under the stock symbol PREC.

3. The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the **Reporting Jurisdictions**).

4. The Corporation is undertaking a restructuring of certain of its financial obligations (the **Restructuring Transaction**) pursuant to a proceeding under the *Companies' Creditors Arrangement Act* (the **CCAA**), together with the proceedings in Columbia under Ley 1116 of 2006 and in the United States under chapter 15 of title 11 of the United States Code. The Restructuring Transaction was announced on April 19, 2016.

5. A meeting of creditors (the **Affected Creditors**) affected by the Corporation's plan of compromise and arrangement dated June 27, 2016 (as amended) made pursuant to the CCAA was held on August 17, 2016 whereby the Restructuring Transaction was approved by 98.4% in number with 97.2% in value in favour of the Affected Creditors present in person or represented by proxy.

6. The Restructuring Transaction is expected to close during the first half of October 2016, provided that all conditions to the Restructuring Transaction are satisfied.

7. As part of the Restructuring Transaction, U.S. $250 million in principal amount of debtor-in-possession notes (the **DIP Notes**) were issued. In accordance with the terms of the Restructuring Transaction, the DIP Notes will be amended and restated as exit notes in an aggregate principal amount of U.S. $250 million (the **Exit Notes**).

8. It is expected that the Corporation will be issuing a U.S. non-offering prospectus (the **Prospectus**) in connection with its application to list the Exit Notes on the Luxembourg Stock Exchange.

9. The Prospectus will contain representations identical or substantially similar to the following (the **Listing Representations**):

   a. "*Application has been made by Pacific Exploration & Production Corporation, formerly known as Pacific Rubiales Energy Corp., a company amalgamated in the Province of British Columbia, Canada, or the "Issuer," to list its U.S.$250,000,000 10.0% senior secured notes due 2021 (the "Notes") on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange*";

   b. "*Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange*"; and

   c. "*Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF Market*".

10. While discussions have commenced with the Luxembourg Stock Exchange regarding the listing of the Exit Notes, no approval has yet been received for such listing, conditional or otherwise, nor has the Luxembourg Stock Exchange consented to, or indicated that they do not object to, the Listing Representations.

11. It is contemplated that the Prospectus may be provided to holders of the DIP Notes in connection with the amendment and restatement of the DIP Notes into Exit Notes. As the DIP Notes are trading, it is possible that the DIP Notes may be held by persons in the Reporting Jurisdictions in which case such persons may receive the Prospectus in relation to conversion of the DIP Notes into Exit Notes.

12. The Corporation seeks permission to include the Listing Representations in the Prospectus which may be provided and made available in the Reporting Jurisdictions.

Based upon the representations above and the representations contained in your Application, permission is hereby granted pursuant to subsection 38(3) of the *Securities Act* (Ontario) to include the Listing Representations in the Prospectus.

Yours very truly,

"Michael Balter"
Corporate Finance Branch
Ontario Securities Commission

Index