The Ontario Securities Commission

OSC Bulletin

October 20, 2016

Volume 39, Issue 42

(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

1.1 Notices

1.1.1 OSC Staff Notice 11-737 (Revised) – Security Advisory Committee – Vacancies

OSC STAFF NOTICE

SECURITIES ADVISORY COMMITTEE – VACANCIES

The Securities Advisory Committee ("SAC") is a committee of industry experts established by the Commission to advise it and its staff on a variety of matters including policy initiatives and capital markets trends. The Commission seeks four prospective candidates to serve on SAC beginning in January 2017 for a three-year term ending December 2019. There is a one-third turnover of SAC membership each calendar year.

SAC members generally meet on a monthly basis and provide advice on a variety of matters, including legal and regulatory initiatives, as well as market implications of Commission rules, policies, operations, and administration. SAC members are also invited to provide their perspectives on emerging trends in the marketplace. Those who make a commitment to serve on SAC must be in a position to devote the time necessary to attend meetings and be an active participant at those meetings.

SAC members are expected to have excellent technical abilities and a strong interest in the development of securities regulatory policy. This includes having in-depth knowledge of the legislation and policies for which the Commission is responsible, as well as a significant practice and experience in the securities field. Expertise in an area of special interest to the Commission at the time of an appointment will also be a factor in selection. Diversification of membership on SAC continues to be a Commission priority in order to promote a broad perspective on the development of securities regulatory policy. In addition to candidates engaged in private practice, we continue to welcome the submission of applications from in-house counsel practicing in the securities area at an exchange, institutional investor or dealer.

Qualified individuals who have the support of their firms/employers for the commitment required to effectively participate on SAC, are invited to apply in writing for membership on SAC to the General Counsel's Office of the Commission, indicating areas of practice and relevant experience. Prospective candidates are encouraged to review OSC Policy 11-601 for further information about SAC.

SAC members whose terms continue past December 2016 are:

- Sheldon Freeman — Goodmans LLP
- Mindy Gilbert — Davies Ward Phillips & Vineberg LLP
- Blair Cowper-Smith — OMERS Administration Corporation
- Kathleen Ritchie — Gowling Lafleur Henderson LLP
- Thomas Fenton — Aird & Berlis LLP
- Eric Moncik — Blake, Cassels & Graydon LLP
- Ramandeep Grewal — Stikeman Elliott LLP
- Thomas Yeo — Torys LLP

The Commission wishes to thank the following members whose terms will expire at the end of December 2016:

- Julie Shin — Toronto Stock Exchange
- Judy Cotte — RBC Global Asset Management Inc.
- Diana Wisner — Bank of Montreal
- Ian Michael — Bennett Jones

The Commission is very grateful to outgoing members for their able assistance and valuable input.

Applications for SAC membership will be considered if received on or before November 25, 2016. Applications should be submitted by email to:

James Sinclair
General Counsel
Ontario Securities Commission
20 Queen Street West, 22th Floor
Toronto, Ontario, M5H 3S8
Tel: (416) 263-3870
jsinclair@osc.gov.on.ca

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

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of September 30, 2016 has been posted to the OSC Website at www.osc.gov.on.ca.

Table of Concordance

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

Reformulation

Instrument	Title	Status
	None	

New Instruments

Instrument	Title	Status
31-103	Registration Requirements, Exemptions and Ongoing Registrant Obligations – Amendments	***Published for comment July 7, 2016***
33-109	Registration Information – Amendments	***Published for comment July 7, 2016***
33-506	(Commodity Futures Act) Registration Information – Amendments	***Published for comment July 7, 2016***
95-401	Margin and Collateral Requirements for Non-Centrally Cleared Derivatives	***Published for comment July 7, 2016***
45-320	Exemption for Certain Foreign Issuers from the Requirement to Identify Purchasers as Registrants or Insiders in Reports of Exempt Distribution	***Published July 7, 2016***
45-106	Prospectus Exemptions – Amendments	***Commission approval published July 7, 2016***
15-601	Whistleblower Program	***Commission approval published July 14, 2016***
51-346	Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2016	***Published July 21, 2016***
45-106	Prospectus Exemptions – Amendments	***Ministerial approval published July 21, 2016***
33-747	Annual Summary Report for Dealers, Advisers and Investment Fund Managers – Compliance and Registrant Regulation	***Published July 28, 2016***
11-739	Policy Reformulation Table of Concordance and List of New Instruments	***Published July 28, 2016***
51-727	Corporate Finance Branch – 2015-2016 Annual Report	***Published July 28, 2016***
91-507	Trade Repositories and Derivatives Data Reporting - Amendments	***Ministerial approval published August 18, 2016***
24-101	Institutional Trade Matching and Settlement – Amendments	***Published for comment August 18, 2016***

New Instruments

Instrument	Title	Status
24-402	Policy Considerations for Enhancing Settlement Discipline in a T+2 Settlement Cycle Environment	***Published for comment August 18, 2016***
31-346	Guidance as to the Scope of the International Dealer Exemption in relation to Foreign-Currency Fixed Income Offerings by Canadian Issuers	***Published September 1, 2016***
81-104	Commodity Pools	***Proposed repeal published September 22, 2016***
81-102	Investment Funds – Amendments	***Published for comment September 22, 2016***
81-101	Mutual Fund Prospectus Disclosure – Amendments	***Published for comment September 22, 2016***
81-107	Independent Review Committee for Investment Funds – Amendments	***Published for comment September 22, 2016***
41-101	General Prospectus Requirements – Amendments	***Published for comment September 22, 2016***
81-106	Investment Fund Continuous Disclosure – Amendments	***Published for comment September 22, 2016***
45-308	Guidance for Preparing and Filing Reports of Exempt Distribution under National Instrument 45-106 Prospectus Exemptions – Revised	***Published September 29, 2016***
58-308	Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices	***Published September 29, 2016***

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

October 20, 2016

1.1.3 Portus Alternative Asset Management Inc. et al.

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

AND

IN THE MATTER OF
PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC.,
BOAZ MANOR, MICHAEL MENDELSON,
MICHAEL LABANOWICH AND JOHN OGG

NOTICE OF WITHDRAWAL

WHEREAS:

1. On October 5, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") in relation to a Statement of Allegations issued by Staff of the Commission ("Staff") on the same day, to commence proceedings ("Administrative Proceeding") in respect of Portus Alternative Asset Management Inc. ("PAAM"), Portus Asset Management Inc. ("PAM"), Boaz Manor ("Manor"), Michael Mendelson ("Mendelson"), Michael Labanowich ("Labanowich") and John Ogg ("Ogg") (collectively, the "Respondents");

2. On October 4, 2005, the Commission authorized the commencement of proceedings against Manor in the Ontario Court of Justice pursuant to section 122 of the Act;

3. On April 20, 2006, the Commission authorized the commencement of proceedings against Mendelson and the laying of additional charges against Manor in the Ontario Court of Justice pursuant to section 122 of the Act (collectively, the "Section 122 Proceeding");

4. On June 16, 2006, the Commission ordered, among other things, that the Administrative Proceeding be adjourned until judgment is rendered in respect of the Section 122 Proceeding and that Staff and the Respondents appear before the Commission within eight weeks of judgment being rendered in the Section 122 Proceeding;

5. On November 19, 2007, Mendelson was convicted of a charge under the *Criminal Code*, R.S.C., 1985, c. C-46 (the "*Criminal Code*") before the Ontario Court of Justice and was sentenced to two years in jail and three years probation;

6. On May 25, 2011, Manor was convicted of two charges under the *Criminal Code* before the Superior Court of Justice (Ontario) and was sentenced to four years in jail;

7. The convictions registered against Manor and Mendelson under the *Criminal Code* were for acts related to the Administrative Proceeding and the Section 122 Proceeding;

8. On July 13, 2011, the Section 122 Proceeding was concluded;

9. On August 4, 2011, a Notice of Hearing was issued giving notice that the Administrative Proceeding would continue;

10. On November 22, 2011, the Commission ordered, among other things, that the hearing on the merits commence on September 4, 2012, and continue on September 5, 6, 7, 10, 12, 13, 14, 19, 20, 21, 24, 26, 27, 28, and October 1, 2, 3, 4, and 5, 2012;

11. On August 16, 2012, Mendelson attended before the Commission and made submissions;

12. On August 27, 2012, the Commission approved settlement agreements between Staff and Manor (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8105), between Staff and Labanowich (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8104) and between Staff and Ogg (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8106);

13. On September 4, 2012, Staff appeared and Mendelson attended via teleconference before the Commission and made submissions including that Staff and Mendelson had reached an agreement regarding the facts against Mendelson in this matter and that a sanctions hearing be scheduled with respect to Mendelson;

14. On September 4, 2012, Staff indicated that PAAM and PAM are in receivership and that the allegations pending against them will be dealt with separately at a future date;

15. On September 4, 2012, the Commission ordered that the scheduled dates of September 5, 6, 7, 10, 12, 13, 14, 19, 20, 21, 24, 26, 27, 28, and October 1, 2, 3, 4, and 5, 2012 for the hearing on the merits in the matter be vacated and that a sanctions hearing for Mendelson commence on October 2, 2012 at 10:00 a.m. until 1:00 p.m. and continue on October 4, 2012 at 10:00 a.m.;

16. On October 2, 2012, Staff and Mendelson appeared before the Commission and made submissions indicating that there is a proposed agreed statement of facts and requesting that the currently scheduled dates for the sanctions hearing for Mendelson be vacated and that the sanctions hearing for Mendelson be rescheduled;

17. On October 2, 2012, the sanctions hearing for Mendelson was adjourned to October 16, 2012;

18. Staff and Mendelson jointly filed an Agreed Statement of Facts, dated October 16, 2012, in which Mendelson admitted certain acts in contravention of Ontario securities law;

19. On October 16, 2012, the Commission held a hearing and was satisfied that Mendelson did not comply with Ontario securities law and acted contrary to the public interest;

20. On November 29, 2012, the Commission made an order against Mendelson;

21. The receivership of PAAM and PAM has been completed;

TAKE NOTICE that Staff withdraw the allegations against PAAM and PAM.

October 14, 2016

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

Matthew Britton
Senior Litigation Counsel
416-593-8294

1.5 Notices from the Office of the Secretary

1.5.1 Lance Kotton and Titan Equity Group Ltd.

FOR IMMEDIATE RELEASE
October 12, 2016

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

AND

IN THE MATTER OF
LANCE KOTTON and
TITAN EQUITY GROUP LTD.

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

1. the Temporary Order is extended until November 21, 2016, or until further order of the Commission without prejudice to the right of Staff or the Respondents to seek to vary the Temporary Order on application to the Commission; and

2. the hearing of this matter is adjourned until November 18, 2016 at 10:00 a.m., or such other date and time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Order dated October 12, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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 Portus Alternative Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
October 14, 2016

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

AND

IN THE MATTER OF
PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC.,
BOAZ MANOR, MICHAEL MENDELSON,
MICHAEL LABANOWICH AND JOHN OGG

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal against the Respondents, Portus Alternative Asset Management Inc. and Portus Asset Management Inc., as of October 14, 2016 in the above noted matter.

A copy of the Notice of Withdrawal dated October 14, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.3 MM Café Franchise Inc. et al.

FOR IMMEDIATE RELEASE
October 17, 2016

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

AND

IN THE MATTER OF
MM CAFÉ FRANCHISE INC.,
TECHOCAN INTERNATIONAL CO. LTD.,
1727350 ONTARIO LTD.,
MARIANNE GODWIN,
DAVE GARNET CRAIG and
HAIYAN (HELEN) GAO JORDAN

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

1. the Withdrawal Motion be heard in writing; and

2. TGF is granted leave to withdraw as the representative of Craig.

A copy of the Order dated October 14, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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)

1.5.4 The Falls Capital Corp. et al.

FOR IMMEDIATE RELEASE
October 18, 2016

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

AND

IN THE MATTER OF
THE FALLS CAPITAL CORP.,
DEERCREST CONSTRUCTION FUND INC.,
WEST KARMA LTD. and
RODNEY JACK WHARRAM

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

A copy of the Reasons and Decision and the Order dated October 17, 2016 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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 Raymond James Ltd. and MacDougall, MacDougall & MacTier Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) and Derivatives Regulation (Québec) – relief from certain filing requirements of NI 33-109 and Derivatives Regulation (Québec) in connection with a bulk transfer of business locations and registered individuals pursuant to an asset purchase in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Instrument 33-109 Registration Information and Companion Policy 33-109CP.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

September 30, 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
RAYMOND JAMES LTD.
(RJL)

AND

MACDOUGALL, MACDOUGALL & MACTIER INC.
(3Macs) (the Filers)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filers, on behalf of 3Macs and the continuing corporation (the **Amalgamated Corporation**) resulting from the proposed amalgamation (the **Amalgamation**) of RJL and 3Macs, for a decision under the securities legislation of each of the Jurisdictions (the **Legislation**) providing exemptions from the requirements contained in sections 2.2, 2.5, 2.3, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of registered individuals (the **3Macs Individuals**) and all business locations (branches and sub-branches) (the **Locations**) of 3Macs to the Amalgamated Corporation, on the Amalgamation Date (as defined below), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

The principal regulator in Québec has also received an application from the Filers for a decision under the derivatives legislation of Québec for relief from section 11.1 of the *Derivatives Regulation* (Québec) pursuant to section 86 of the *Derivatives Act* (Québec) to allow the Bulk Transfer of 3Macs Individuals registered under Québec derivatives legislation and all of the Locations to the Amalgamated Corporation, on the Amalgamation Date, in accordance with section 3.4 of Companion Policy to NI 33-109 (the **Derivatives Exemption Sought**).

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

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

(b) for the decision of the principal regulator in respect of the Exemption Sought, 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 Alberta, British Columbia, Manitoba, New Brunswick, Northwest Territories, Nova Scotia, Prince Edward Island, Saskatchewan and the Yukon,

(c) the decision with respect to the Exemption Sought is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario, and

(d) the decision with respect of the Derivatives Exemption Sought is the decision of the principal regulator.

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 Filers:

RJL

1. RJL is a corporation existing under the *Canada Business Corporations Act* (**CBCA**). Its head office is located at Suite 2100, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

2. RJL is registered as an investment dealer under the securities legislation of each of the Canadian provinces. It is also registered as a derivatives dealer in Québec. RJL is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

3. RJL is a wholly-owned subsidiary of Raymond James Financial, Inc., a company existing under the laws of the state of Florida the securities of which are listed on the New York Stock Exchange.

4. RJL is not in default of any requirements of securities legislation in any of the Jurisdictions.

3Macs

5. 3Macs is a corporation existing under the laws of CBCA. Its head office is located at 1000, rue de la Gauchetière Ouest, Bureau 2600, Montreal, Québec H3B 4W5.

6. 3Macs is registered as an investment dealer under the securities legislation of each of the Canadian provinces, except for Nunavut. It is also registered as a derivatives dealer in Québec. 3Macs is a dealer member of IIROC.

7. 3Macs has two wholly-owned subsidiaries: Raymond James Investment Counsel Ltd. (formerly MacDougall Investment Counsel Inc.) (**RJIC**) and MacDougall Wealth Management Inc. (**MWM**).

8. RJIC is registered as a portfolio manager and an investment fund manager under the securities legislation of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Saskatchewan and Québec.

9. MWM is registered as a Corporate Insurance Agency (Life) with the Financial Services Commission of Ontario and the Insurance Council of British Columbia. MWM is also registered with the AMF to provide financial planning activities in Québec.

10. 3Macs is not in default of any requirements of securities legislation in any of the Jurisdictions.

Acquisition of 3Macs by RJL

11. On May 26, 2016, RJL and 3Macs announced that they had entered into an arrangement agreement pursuant to which RJL agreed, subject to certain terms and conditions, including receipt of all required regulatory, shareholder and court approvals, to acquire 100% of the outstanding common shares of 3Macs (the **Transaction**).

12. On July 18, 2016, 3Macs held a shareholder meeting at which it obtained the requisite shareholder approval for the Transaction.

13. On July 19, 2016, 3Macs obtained a final order from the Québec Superior Court (Commercial Division) approving the Transaction.

14. Notice of the Transaction was provided to the AMF and IIROC on July 20, 2016. The AMF and IIROC provided notice of their approval or non-objection to the Transaction by letters dated August 24, 2016 and August 25, 2016, respectively.

15. The Transaction closed effective August 31, 2016.

Amalgamation

16. On or about October 1, 2016 (the **Amalgamation Date**), RJL proposes to amalgamate with 3Macs.

17. The Amalgamation will be effected under the CBCA as a vertical short form amalgamation. As such, after the Amalgamation RJL and 3Macs will continue as a single legal entity with the name “Raymond James Ltd.” (with the French version being “Raymond James Ltée”).

18. The Amalgamated Corporation will be a wholly-owned subsidiary of Raymond James Financial, Inc. (as is the case for RJL).

19. The head office of the Amalgamated Corporation will be the same as the current head office location of RJL. The Amalgamated Corporation will have the same share structure, issued shares and bylaws that RJL had immediately prior to the Amalgamation.

20. The ultimate designated person, chief compliance officer, and the key management and directors of the Amalgamated Corporation will be those of RJL, with the addition of Tim Price, a current director and senior officer of 3Macs, to the Board of Directors. The principal regulator of the Amalgamated Corporation will be the British Columbia Securities Commission.

21. The Filers believe that the Amalgamation will produce efficiencies with one IIROC dealer member and will help accelerate their growth strategy in Québec and other key centres across Canada. In addition, the Amalgamation is expected to strengthen the combined firm’s ability to provide independent advice and access to high quality investment products and services. The Filers expect the Amalgamated Corporation to be Canada’s largest independent (non-bank affiliated) investment dealer, with approximately $33 billion in client assets under administration. In addition to aligning with RJL’s growth strategy, following completion of the Amalgamation, both 3Macs’ clients and advisors are expected to benefit from RJL’s greater compliance and information technology resources.

22. Following the corporate and systems integration of predecessors 3Macs and RJL, RJL has agreed to maintain the heritage of the 3Macs brand, and 3Macs current offices and advisors will be permitted to operate under the trade name “3Macs / MacDougall, MacDougall & MacTier, a division of Raymond James”.

23. RJL does not anticipate any material changes in either its or 3Macs’ primary business activities, target markets or products and services as a result of the Amalgamation.

24. RJL’s existing compliance policies and procedures, including its policies and procedures manual, will be that of the Amalgamated Corporation.

25. IIROC provided its approval of the bulk transfer of client accounts in connection with the Amalgamation by a letter dated August 25, 2016.

26. With their August 31, 2016 account statements, all 3Macs’ clients received written notice informing them of the Amalgamation, the name of the Amalgamated Corporation and other related matters, and advising them of their right, before the Amalgamation Date, to request that their accounts be closed or moved to another firm. In the event of any

request to transfer accounts to another firm within 60 days of the Amalgamation Date, clients will not be charged any fees for the transfer.

Submissions in support of exemptions

27. Effective as of the Amalgamation Date, all activities currently conducted by the Filers will be under the responsibility of the Amalgamated Corporation. The Amalgamated Corporation will conduct the same operations, essentially in the same manner as before the Amalgamation.

28. Subject to obtaining the Exemption Sought and the Derivatives Exemption Sought, no disruption in the services provided by the 3Macs Individuals to clients of the Filers is anticipated as a result of the Amalgamation.

29. Neither the Exemption Sought nor the Derivatives Exemption Sought will have any negative consequences on the ability of 3Macs, RJL or the Amalgamated Corporation to comply with any applicable regulatory requirements or their ability to satisfy any of their obligations in respect of their clients.

30. Given the number of 3Macs Individuals and Locations to be transferred from 3Macs to the Amalgamated Corporation on the Amalgamation Date, it would be unduly time consuming and difficult to transfer each of the 3Macs Individuals and Locations through NRD in accordance with the requirements of NI 33-109 if the Exemption Sought and the Derivatives Exemption Sought are not granted.

31. Both Filers are registered in the same categories of registration in each of the Jurisdictions, thereby affording the opportunity to seamlessly transfer the 3Macs Individuals and Locations to the Amalgamated Corporation on the Amalgamation Date by way of Bulk Transfer.

32. At the time of the Bulk Transfer, all of the 3Macs Individuals will be the only registered individuals of 3Macs and the Locations will be the only branches and sub-branches of 3Macs. Accordingly, the transfer of the 3Macs Individuals and Locations on the Amalgamation Date by means of the Bulk Transfer can be implemented without any significant disruption to the activities of the 3Macs Individuals, the Locations, 3Macs, RJL or the Amalgamated Corporation.

33. Allowing the Bulk Transfer of the 3Macs Individuals to occur on the Amalgamation Date will benefit (and have no detrimental impact on) the clients of the Filers by facilitating seamless service on the part of the 3Macs Individuals, the Filers and the Amalgamated Corporation.

34. The Exemption Sought and the Derivatives Exemption Sought comply with the requirements of, and the reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix C thereto.

35. It would not be prejudicial to the public interest to grant the Exemption Sought and the Derivatives Exemption Sought.

Decision

Each of the Decision Makers is satisfied that the decision meets the tests set out in the Legislation and the *Derivatives Act* (Québec) 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 Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. in respect of the Bulk Transfer and make such arrangements in advance of the Bulk Transfer.

The decision of the principal regulator under the Derivatives Act (Québec) is that the Derivatives Exemption Sought is granted provided that the Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. in respect of the Bulk Transfer and make such arrangements in advance of the Bulk Transfer.

“Eric Stevenson”
Superintendent, Client Services and Distribution Oversight

2.1.2 RBC Global Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodian requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation as contemplated under U.S. and European regulatory requirements. Decision treats cleared swaps similar to other cleared derivatives.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.7(1), 2.7(4), 6.1,19.1.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

October 7, 2016

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

AND

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

AND

IN THE MATTER OF
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

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 of the principal regulator (the **Legislation**), pursuant to section 19.1 of National Instrument 81-102 *Investment Funds* (**NI 81-102**), exempting each Existing RBC GAM Fund (as defined below) and all current and future mutual funds, including exchange-traded funds, managed by the Filer that enter into Cleared Swaps (as defined below) in the future (each, a **Future RBC GAM Fund** and, together with the Existing RBC GAM Funds, each, a **RBC GAM Fund** and, collectively, the **RBC GAM Funds**):

(i) from the requirement in subsection 2.7(1) of NI 81-102 that a mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating;

(ii) from the limitation in subsection 2.7(4) of NI 81-102 that the mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counterparty other than an acceptable clearing corporation or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A to NI 81-102 shall not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund; and

(iii) from the requirement in subsection 6.1(1) of NI 81-102 to hold all portfolio assets of an investment fund under the custodianship of one custodian in order to permit each RBC GAM Fund to deposit cash and other portfolio assets directly with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (the **Requested Relief**).

The Filer is also requesting that the Previous Relief (as defined below) be revoked and replaced with the Requested Relief (the **Revocation**).

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 (the **Other Jurisdictions** and collectively with Ontario, 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. Capitalized terms used in this decision have the following meanings:

CFTC means the U.S. Commodity Futures Trading Commission

Cleared Swap means any OTC derivative transaction that can be entered into on a cleared basis, whether or not such derivative is subject to a clearing determination or a clearing obligation issued by the CFTC or ESMA, as the case may be

Clearing Corporation means any clearing organization registered with the CFTC or central counterparty authorized by ESMA, as the case may be, that, in either case, is also recognized or exempt from recognition in Ontario

Dodd-Frank means the Dodd-Frank Wall Street Reform and Consumer Protection Act

EMIR means the European Market Infrastructure Regulation

ESMA means the European Securities and Markets Authority

European Economic Area means all of the European Union countries and also Iceland, Liechtenstein and Norway

Existing RBC GAM Funds means the RBC GAM Funds that are relying on the Previous Relief as at the date of this Decision

Futures Commission Merchant means any futures commission merchant that is registered with the CFTC and/or clearing member for purposes of EMIR, as applicable, and is a member of a Clearing Corporation

LSOC Model means the legally segregated operationally commingled model adopted by the CFTC for Cleared Swaps collateral

OTC means over-the-counter

Sub-Advisors means each of the Filer, RBC Global Asset Management (UK) Limited, RBC Investment Management (Asia) Limited, RBC Global Asset Management (US) Inc., BlueBay Asset Management LLP and their affiliates, and each third party portfolio manager retained from time to time by the Filer to manage the investment portfolio of one or more RBC GAM Funds

U.S. Person has the meaning attributed thereto by the CFTC

Representations

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

The Filer and the RBC GAM Funds

1. The Filer is, or will be, the investment fund manager of each RBC GAM Fund. The Filer is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of each of the Jurisdictions, is registered as an investment fund manager in each of British Columbia, Ontario, Québec and Newfoundland and Labrador and is also registered in Ontario as a commodity trading manager. The head office of the Filer is in Toronto, Ontario.

2. The Filer is, or will be, the portfolio manager to the RBC GAM Funds. One of the Sub-Advisors is, or will be, the sub-advisor to the RBC GAM Funds.

3. Each RBC GAM Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102.

4. Neither the Filer nor the RBC GAM Funds are, or will be, in default of securities legislation in the Jurisdiction or any Other Jurisdiction.

5. The securities of each RBC GAM Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdiction and the Other Jurisdictions. Accordingly, each RBC GAM Fund is, or will be, a reporting issuer or the equivalent in each Jurisdiction.

Previous Cleared Swaps Relief

6. In a decision document dated December 18, 2014, the RBC GAM Funds were granted relief from the requirements in subsections 2.7(1), 2.7(4) and 6.1(1) of NI 81-102 to permit the RBC GAM Funds to enter into cleared swaps that are, or will be, subject to a clearing determination issued by the CFTC (the **Previous Relief**). The Previous Relief, in accordance with its terms, terminates on December 18, 2016.

7. The Filer is seeking the Revocation to replace the Previous Relief with the Requested Relief.

Cleared Swaps

8. The investment objective and investment strategies of each RBC GAM Fund permit, or will permit, the RBC GAM Fund to enter into derivative transactions, including Cleared Swaps. Each Sub-Advisor of the Existing RBC GAM Funds considers Cleared Swaps to be an important investment tool that is available to it to properly manage each Existing RBC GAM Fund's portfolio. Each Existing RBC GAM Fund currently uses or intends to use interest rate swaps and/or credit default swaps in its portfolio.

9. Dodd-Frank requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a Clearing Corporation. Generally, where a U.S. Person is currently party to any of a fixed-to-floating interest rate swap, basis swap, forward rate agreement in U.S. dollars, the Euro, Pounds Sterling or the Japanese Yen, overnight index swap in U.S. dollars, the Euro and Pounds Sterling or untranched credit default swaps on certain North American indices (CDS.NA.IG and CDX.NA.HY) and European indices (iTraxx Europe, iTraxx Europe Crossover and iTraxx Europe HiVol) at various tenors, that swap must be cleared.

10. EMIR also requires that certain OTC derivatives be cleared through a central counterparty authorized to provide clearing services for purposes of EMIR. Generally, where one party to a swap is a financial counterparty or a non-financial counterparty whose OTC derivative trading activity exceeds a certain threshold, in each case established in a state that is a participant in the European Economic Area, that swap will be required to be cleared. The first clearing directive has been issued in respect of certain interest rate swaps and will be phased-in based on the category of both parties to the trade.

11. In addition to clearing swaps that are mandated to be cleared under Dodd-Frank and/or EMIR, many of the Clearing Corporations offer clearing services in respect of other types of derivative transactions. Many global derivative end-users enter into Cleared Swaps on both a voluntary and a mandatory basis.

12. In order to benefit from both the pricing benefits and reduced trading costs that each Sub-Advisor is often able to achieve through its trade execution practices for its managed investment funds and accounts and from the reduced costs associated with Cleared Swaps as compared to other OTC trades, the Filer wishes that the RBC GAM Funds have the ability to enter into Cleared Swaps.

13. In the absence of the Requested Relief, each Sub-Advisor will need to structure the derivative transactions entered into by the applicable RBC GAM Funds so as to avoid clearing, including the clearing requirements of the CFTC and under EMIR, as applicable. The Filer respectfully submits that this would not be in the best interests of the RBC GAM Funds and their investors for a number of reasons, as set out below.

14. The Filer strongly believes that it is in the best interests of the RBC GAM Funds and their investors to continue to be able to execute OTC derivatives with global counterparties, including U.S. and European swap dealers.

15. A Sub-Advisor may use common trade execution practices for all of its accounts, including the RBC GAM Funds. If these practices involve the use of Cleared Swaps and if the RBC GAM Funds are unable to employ these trade execution practices, then the Sub-Advisor would have to create separate trade execution practices only for the RBC GAM Funds and would have to execute trade for the RBC GAM Funds on a separate basis. This would increase the operational risk for the RBC GAM Funds and would prevent the RBC GAM Funds from benefitting from the pricing

benefits and reduced trading costs that a Sub-Advisor may be able to achieve through common practices for its advised accounts. In the Filer's opinion, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Cleared Swaps.

16. In its role as a fiduciary for the RBC GAM Funds, the Filer has determined that central clearing represents a good choice for the investors in the RBC GAM Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.

17. As a member of the G20 and a participant in the September 2009 commitment of G20 nations to improve transparency and mitigate risk in derivatives markets, Canada has expressly recognized the systemic benefits that clearing OTC derivatives offers to market participants, such as the RBC GAM Funds. The Filer respectfully submits that the RBC GAM Funds should be encouraged to comply with the robust clearing requirements established by the CFTC and under EMIR by granting them the Requested Relief.

18. The Requested Relief is analogous to the treatment currently afforded under NI 81-102 to other types of derivatives that are cleared, i.e., clearing corporation options, options on futures and standardized futures. This demonstrates that, from a policy perspective, such Requested Relief is consistent with the views of the Canadian securities authorities in respect of cleared derivative trades.

19. For the reasons provided above, the Filer submits that it would not be prejudicial to the public interest to grant the Requested Relief to the RBC GAM Funds.

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 Revocation is granted; and

2) the Requested Relief is granted provided that when any rules applicable to customer clearing of OTC derivatives enter into force, the Clearing Corporation is permitted to offer customer clearing of OTC derivatives in the Jurisdiction or the Other Jurisdiction, as the case may be, where the applicable RBC GAM Fund is located and provided further that, in respect of the deposit of cash and other portfolio assets as margin:

   (a) in Canada,

      (i) the Futures Commission Merchant is a member of a SRO that is a participating member of CIPF; and

      (ii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the RBC GAM Fund as at the time of deposit; and

   (b) outside of Canada,

      (i) the Futures Commission Merchant is a member of a Clearing Corporation and, as a result, is subject to a regulatory audit;

      (ii) the Futures Commission Merchant has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million; and

      (iii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the RBC GAM Fund as at the time of deposit.

This decision will terminate on the coming into force of any revisions to the provisions of NI 81-102 that address the clearing of OTC derivatives.

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

2.1.3 Hilton Worldwide Holdings Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from prospectus requirement to allow U.S. parent company to spin-off shares of two of its U.S. subsidiaries to investors – 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. parent company has a *de minimis* presence in Canada – following the spin-off, U.S. subsidiaries will become independent public companies in the U.S. and will not be reporting issuers 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. 53, 74(1).

October 7, 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
HILTON WORLDWIDE HOLDINGS 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 an exemption (the "**Exemption Sought**") from the prospectus requirement of section 53 of the *Securities Act* (Ontario) in connection with the proposed distribution (the "**Spin-Off**") by the Filer of the shares of common stock ("**Park Shares**") of Park Hotels & Resorts Inc. ("**Park**") and shares of common stock ("**HGV Shares**") of Hilton Grand Vacations Inc. ("**HGV**"), each a 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**").

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 Delaware with principal executive offices in McLean, Virginia, U.S.A. The Filer is a global hospitality company with managed, franchised, owned and leased hotels and timeshare properties in 104 countries and territories.

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 stock of the Filer consists of 30 billion Filer Shares, U.S.$0.01 par value per share, and 3 billion shares of preferred stock, U.S.$0.01 par value per share. As of July 22, 2016, there were 989,776,458 Filer Shares and no preferred shares issued and outstanding.

4. The Filer Shares are listed on the New York Stock Exchange (the "**NYSE**") and trade under the symbol "HLT". 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 subject to the United States *Securities Exchange Act of 1934*, as amended from time to time (the "**1934 Act**"), and the rules, regulations and orders promulgated thereunder.

6. Based on a "Certified Shareholder List" provided by Wells Fargo, as of March 15, 2016, there were 0 registered Filer Canadian Shareholders holding Filer Shares. The Filer does not expect this number to have materially changed since that date.

7. Based on a "Geographic Analysis – Canada" of beneficial shareholders prepared for the Filer by Broadridge Financial Services, Inc., as of July 26, 2016 there were 1,149 beneficial Filer Canadian Shareholders, representing approximately 1.3% of the beneficial holders of Filer Shares worldwide, holding approximately 2,654,104 Filer Shares, representing approximately 0.27% 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, through a series of transactions, (i) the bulk of its real estate business (the "**Park Business**") into a newly formed independent company, Park, and (ii) its timeshare business (the "**HGV Business**") into a newly formed independent company, HGV. These transactions are expected to result in the Spin-Off by the Filer, *pro rata* to its shareholders, of 100% of the Park Shares and HGV Shares outstanding immediately prior to such distribution.

10. Park is a Delaware corporation with principal executive offices in McLean, Virginia, U.SA. It is currently a wholly-owned subsidiary of the Filer that, at the time of the Spin-Off, will hold, directly and through its subsidiaries, the Filer's Park Business.

11. HGV is a corporation incorporated in Delaware with principal executive offices in Orlando, Florida, U.S.A. It is currently a wholly-owned subsidiary of the Filer that, at the time of the Spin-Off, will hold, directly and through its subsidiaries, the Filer's HGV Business.

12. As of the date hereof, all of the issued and outstanding Park Shares and HGV Shares, being 1,000 Park Shares and 100 HGV Shares, are held directly or indirectly by the Filer, and no other shares or classes of stock of Park or HGV are issued and outstanding.

13. The Filer will not distribute fractional shares of Park Shares or HGV Shares in connection with the Spin-Off. Instead, the distribution agent will aggregate fractional shares into whole shares, sell such whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds (i.e. net of withheld taxes, brokerage fees and other expenses) *pro rata* to each Filer Shareholder who would otherwise have been entitled to receive fractional shares.

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

15. Subject to the satisfaction of certain conditions, it is currently anticipated that the Spin-Off will become effective on or about November 1, 2016. Following the Spin-Off, each of Park and HGV will cease to be a subsidiary of the Filer.

16. Park will apply to have the Park Shares listed under the symbol "PK", and HGV will apply to have the HGV Shares listed under the symbol "HGV", 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. Neither Park nor HGV is a reporting issuer in any province or territory in Canada nor are their securities listed on any stock exchange in Canada. Neither Park nor HGV have any present intention to become a reporting issuer in any province or territory of Canada or to list their 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 Delaware.

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

21. In connection with the Spin-Off, each of Park and HGV has filed with the United States Securities and Exchange Commission (the "**SEC**") a registration statement on Form 10 under the 1934 Act, detailing the proposed Spin-Off. Each of Park and HGV initially filed their registration statements with the SEC on June 2, 2016, subsequently filed amendments thereto on July 7, 2016 and August 18, 2016, and will file further amendment(s) to their registration statements (collectively, the "**Registration Statements**") closer to the date of the Spin-Off.

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

23. The Information Statements will contain respective prospectus level disclosure about Park and HGV.

24. Filer Canadian Shareholders who receive Park Shares and HGV 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, Park and HGV will be subject to the requirements of the 1934 Act and, if listed for trading on the NYSE, its rules and regulations. Each of Park and HGV will send concurrently to holders of Park Shares and HGV Shares, respectively, resident in Canada the same disclosure materials required to be sent under applicable United States securities laws to holders of Park Shares and HGV Shares, respectively, resident in the United States.

26. There will be no active trading market for the Park Shares or HGV Shares in Canada following the Spin-Off and none is expected to develop. Consequently, it is expected that any resale of Park Shares or HGV 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 Park Shares or HGV 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 requirement pursuant to subsection 2.31(2) of National Instrument 45-106 *Prospectus Exemptions* but for the fact that neither Park nor HGV is a reporting issuer under the securities legislation of any jurisdiction in Canada.

28. None of the Filer, Park nor HGV 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 the Park Shares or the HGV 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 National Instrument 45-102 *Resale of Securities* are satisfied.

"Christopher Portner"
Ontario Securities Commission

"Anne Marie Ryan"
Ontario Securities Commission

2.1.4 Harvest Portfolios Group Inc. et al.

Headnote

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

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1), 147.
National Instrument 41-101 General Prospectus Requirements, s. 19.1.
Form 41-101F2 Information Required in an Investment Fund Prospectus, Item 36.2.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

October 7, 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
HARVEST PORTFOLIOS GROUP INC.
(Harvest)

AND

BRAND LEADERS PLUS INCOME ETF,
HEALTHCARE LEADERS INCOME ETF,
US BUYBACK LEADERS ETF,
ENERGY LEADERS PLUS INCOME ETF
(the Proposed ETFs)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Harvest on behalf of the Proposed ETFs and such other exchange-traded mutual funds as Harvest, or an affiliate of Harvest (Harvest and its affiliates are together, the **Filer**), may manage in the future (the **Future ETFs**, and together with the Proposed ETFs, the **ETFs** and individually, an **ETF**) for a decision under the securities legislation of the principal regulator (the **Legislation**) that:

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

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

(c) exempts a person or company purchasing ETF Securities in the normal course through the facilities of the TSX or other Marketplace from the Take-Over Bid Requirements

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

Interpretation

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

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

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

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

"ETF Facts" means a prescribed disclosure document in accordance with the regulations, in respect of one or more classes or series of ETF Securities being distributed under a prospectus.

"ETF Security" means a listed security of an ETF.

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

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

"Prospectus Delivery Decision" means a decision granting relief from the Prospectus Delivery Requirement to a Designated Broker, Authorized Dealer, Affiliate Dealer or Other Dealer dated August 24, 2015, or any subsequent decision granting similar relief to a Designated Broker, Authorized Dealer, Affiliate Dealer or Other Dealer, and in each case, that is in effect at the relevant time.

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

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

"Take-Over Bid Requirements" means the requirements applicable to take-over bids in Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**).

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

Representations

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

1. The Filer is a corporation established under the laws of the province of Ontario, with its head office in Oakville, Ontario.

2. The Filer is registered as an investment fund manager in the provinces of Ontario, Quebec and Newfoundland and Labrador, and as portfolio manager in the province of Ontario.

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

4. Each ETF will be a mutual fund governed by the laws of the province of Ontario and a reporting issuer under the laws of some or all of the Jurisdictions.

5. Each ETF will be subject to NI 81-102, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

6. The Filer is, or will be, the investment fund manager of the ETFs. The Filer has applied, or will apply, to list the ETF Securities on the TSX or other Marketplace.

7. The Filer has filed, or will file, a long form prospectus in accordance with National Instrument 41-101 – *General Prospectus Requirements* on behalf of the ETFs, subject to any exemptions that have been or may be granted by the applicable securities regulatory authorities.

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

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

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

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

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

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

14. The Authorized Dealers and Designated Brokers are not involved in the preparation of an exchange-traded fund's prospectus and would not perform any review or any independent due diligence of the contents of such prospectus. In addition, the Authorized Dealers and Designated Brokers will not incur any marketing costs or receive any underwriting fees or commissions from exchange-traded funds or the ETF Managers in connection with the distribution of Creation Units. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.

15. The Filer generally conducts its own marketing, advertising and promotion of the ETFs. Neither the Authorized Dealers nor the Designated Brokers will receive any fees or commissions in connection with the issuance of ETF Securities to them. The Filer may, at its discretion, charge an administration fee on the issuance of Creation Units to Authorized Dealers or Designated Brokers.

16. Unitholders of the ETFs have, or will have, the right to vote at a meeting of unitholders in respect of the matters prescribed by NI 81-102.

17. As equity securities that will trade on the TSX or other Marketplace, it is possible for a person or company to acquire such number of ETF Securities so as to trigger the application of the Take-Over Bid Requirements. However,

    (a) it is not, or will not, be possible for one or more unitholders to exercise control or direction over an ETF as the constating documents of each ETF will provide that there can be no changes made to such ETF which do not have the support of the Filer;

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

    (c) the way in which ETF Securities of an ETF will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding ETF Securities because pricing for ETF Securities of an ETF will be dependent upon, among other things, the performance of the portfolio of the ETF as a whole.

18. The application of the Take-Over Bid Requirements to the ETFs would have an adverse impact on liquidity of the ETF Securities because they could cause Designated Brokers and other large unitholders to cease trading ETF Securities once the unitholder has reached the prescribed threshold at which the Take-Over Bid Requirements would apply.

19. The principal regulator has advised the exchange-traded fund managers that it takes the view that the first re-sale of a Creation Unit on the TSX or another Marketplace will generally constitute a distribution of Creation Units under the Legislation and that the Authorized Dealers, Designated Brokers and Affiliate Dealers are subject to the Prospectus Delivery Requirement in connection with such re-sales. Re-sales of ETF Securities in the secondary market that are not Creation Units would not ordinarily constitute a distribution of such ETF Securities.

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

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

22. The Filer will file with the applicable Jurisdictions on the System for Electronic Document Analysis and Retrieval (**SEDAR**) a Summary Document for each class or series of ETF Securities and provide or make available to the Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers, the requisite number of copies of the Summary Document for the purpose of facilitating their compliance with the applicable Prospectus Delivery Decision.

23. The Filer will file a Summary Document for each class or series of ETF Securities within the timeframe necessary to allow Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers to effect delivery of the Summary Document as contemplated in the applicable Prospectus Delivery Decision.

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

25. The securities regulatory authorities are developing proposed rule amendments that will require the Filer to file an ETF Facts in connection with the filing of a prospectus. If the amendments are adopted, the requirement for the Filer to file an ETF Facts will supersede the requirement for the Filer to file a Summary Document under the Exemption Sought. Since the introduction of the ETF Facts will likely be subject to a transition period, there may be a period of time where some ETFs have an ETF Facts while other ETFs have a Summary Document. If the Filer files an ETF Facts with respect to a class or series of ETF Securities, the Filer will use such ETF Facts instead of a Summary Document to

satisfy its obligations under the Exemption Sought with respect to any purchase of such class or series of ETF Securities that occurs after the filing of such ETF Facts.

Decision

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

1. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted in respect of the Underwriter's Certificate Requirement and the Prospectus Form Requirement, provided that by the date a particular condition is first applicable to the Filer, and on an ongoing basis thereafter, the Filer will be in compliance with the following conditions:

   (a) The Filer files with the applicable Jurisdictions on SEDAR and displays on its website in a manner that would be considered prominent to a reasonable investor the Summary Document for each class or series of ETF Securities of an ETF.

   (b) The Filer files concurrently on SEDAR the Summary Document for each class or series of ETF Securities when filing a final prospectus for that ETF.

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

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

   (e) (i) Each ETF's prospectus, as the same may be amended from time to time, will incorporate the relevant Summary Document by reference;

   (ii) Each Proposed ETF's prospectus, pro forma prospectus or any amendment thereto will, and each Future ETF's preliminary prospectus, pro forma prospectus, prospectus or any amendment thereto will, contain the disclosure referred to in paragraph 24 above; and

   (iii) Each Proposed ETF's prospectus or pro forma prospectus will, and each Future ETF's preliminary prospectus, prospectus or pro forma prospectus will, disclose both the relief granted pursuant to the Exemption Sought and the Prospectus Delivery Decision under Item 34.1 of Form 41-101F2 – *Information Required in an Investment Fund Prospectus*, as applicable.

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

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

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

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

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

   (g) The Filer will keep records of which Authorized Dealers, Designated Brokers, Affiliate Dealers and Other Dealers have provided it with an acknowledgement under a Prospectus Delivery Decision, and which intend to

rely on and comply with the Prospectus Delivery Decision or intend to comply with the Prospectus Delivery Requirement.

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

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

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

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

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

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

As to the Exemption Sought from the Underwriter's Certificate Requirement:

"Christopher Portner"
Commissioner
Ontario Securities Commission

"AnneMarie Ryan"
Commissioner
Ontario Securities Commission

As to the Exemption Sought from the Prospectus Form Requirement and Take-Over Bid Requirements:

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

APPENDIX A

CONTENTS OF SUMMARY DOCUMENT

General Instructions:

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

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

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

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

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

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

Item 1 – Introduction

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

(a) the title “Summary Document”;

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

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

(d) the date of the document.

Item 2 – Cautionary Language

Include a statement in italics in substantially the following form:

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

Item 3 – Fund Details

Include the following disclosure:

(a) ticker symbol;

(b) fund identification code(s);

(c) index ticker (as applicable);

(d) exchange;

(e) currency;

(f) inception date;

(g) RSP eligibility;

(h) DRIP eligibility;

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

(j) management expense ratio, if available; and

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

Item 4 – Investment Objectives

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

INSTRUCTIONS:

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

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

(b) the key investment strategies of the fund.

Item 5 – Investments of the Fund

1. Include a table disclosing:

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

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

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

INSTRUCTIONS:

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

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

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

Item 6 – Risk

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

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

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

Item 7 – Fund Expenses

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

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

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

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

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

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

INSTRUCTIONS:

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

Item 8 – Trailing Commissions

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

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

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

Item 9 – Other Fees

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

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

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

INSTRUCTIONS:

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

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

Item 10 – Statement of Rights

State in substantially the following words:

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

- *the right to cancel your purchase within 48 hours after you receive confirmation of the purchase, or*
- *other rights and remedies if this document or the fund's prospectus contains a misrepresentation.*

You must act within the time limit set by the securities law in your province or territory.

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

Item 11 – Past Performance

If the fund includes past performance:

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

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

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

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

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

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

3. Show the

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

      (i) 10 years, or

      (ii) the time since inception of the fund,

      and

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

INSTRUCTIONS:

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

Item 12 – Benchmark Information

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

2.1.5 Strathbridge Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – closed-end investment funds and split fund exempt from prospectus requirement in connection with resale of securities purchased under market purchase or redemption programs – relief needed so that repurchased securities can be resold in the market without the need for prospectus qualification – funds are reporting issuers and subject to continuous disclosure requirements – resales of repurchased or redeemed securities will be made subject to same conditions applicable to resales by a control person – sales to be conducted through the TSX – securities resold in a calendar year must be equivalent to no more than 10% of the fund's outstanding securities at beginning of that year – any repurchased securities unsold after 16 months will be cancelled.

Applicable Legislative Provisions

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

October 7, 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
STRATHBRIDGE ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
THE CLOSED-END FUNDS AND
THE SPLIT FUND LISTED IN
SCHEDULE A, ATTACHED
(Schedule A) (collectively, the Funds)

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting each Fund from the requirement to file a prospectus (the **Prospectus Requirement**) in connection with the resale by the Fund of its securities listed on the Toronto Stock Exchange (**TSX**) set out in Schedule A (the **Listed Securities**) that have been repurchased by the Fund pursuant to its Repurchase Programs (defined below) or redeemed by the Fund pursuant to its Redemption Programs (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 paragraph 4.7(1)(c) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (together with Ontario, the **Applicable Jurisdictions**).

Interpretation

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

Representations

This decision is based on the following facts represented by the Filer on its own behalf and on behalf of the Funds:

The Filer

1. The Filer is a corporation incorporated and subsisting under the laws of Canada with its head office located in Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Newfoundland and Labrador, Quebec and the Jurisdiction, a mutual fund dealer in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Prince Edward Island, Saskatchewan and the Jurisdiction, an exempt market dealer in Newfoundland and Labrador and the Jurisdiction and as a portfolio manager in the Applicable Jurisdictions.

3. The Filer is the investment fund manager and portfolio manager of each of the Funds.

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

The Funds

5. Each Fund:

   (a) is a trust established and organized pursuant to a trust agreement under the laws of the Province of Ontario. RBC Investor Services Trust is the trustee of the Funds;

   (b) has offered its securities, including the Listed Securities, pursuant to a prospectus prepared and filed in accordance with National Instrument 41-101 *General Prospectus Requirements* and is a reporting issuer under the laws of all of the Applicable Jurisdictions. The date of the prospectus for the initial and any subsequent public offering of each Fund's securities is indicated in Schedule A;

   (c) is subject to the 81 series of national instruments including National Instrument 81-102 *Investment Funds* (**NI 81-102**), National Instrument 81-106 *Investment Fund Continuous Disclosure* and National Instrument 81-107 *Independent Review Committee for Investment Funds*; and

   (d) is an exchange-traded investment fund whose securities are not in continuous distribution. The number of issued and outstanding securities of each Fund is set out in Schedule A.

6. Each Closed-End Fund is a non-redeemable investment fund and the Split Fund is a mutual fund.

7. The Split Fund is a "fixed portfolio ETF" as defined in NI 81-102. The Split Fund is operated in a similar manner as the Closed-end Funds but for the fact that the Split Fund has two classes of securities, Capital Units and Preferred Securities, each with an equal number of securities outstanding.

8. None of the Funds is in default of securities legislation in any of the Applicable Jurisdictions.

The Repurchase Programs and the Redemption Programs

9. To enhance liquidity:

   (a) each Fund has the discretionary purchase program described below in respect of all of its Listed Securities (the **Discretionary Purchase Program**); and

   (b) each of NDX Growth & Income Fund (the **NGI Fund**) and U.S. Financials Income Fund (the **USFI Fund**) has the mandatory purchase program described below in respect of all of its Listed Securities and the Filer is planning to amend the trust agreement of each of the other Funds to add an identical mandatory purchase program in respect of all of each of the other Fund's Listed Securities (collectively, the **Mandatory Purchase Program**). The Filer will provide 30 days' written notice to securityholders of these other Funds prior to

implementing the Mandatory Purchase Program containing a description of the program and the effective date on which it will be implemented.

The Discretionary Purchase Program and the Mandatory Purchase Program are referred to collectively in this decision as the **Repurchase Programs**.

10. Each Fund has the Monthly Redemption Program and the Annual Redemption Program described below (collectively, the **Redemption Programs**).

11. The terms of the Discretionary Purchase Program and Redemption Programs for each Fund are disclosed in the prospectus qualifying each Fund's securities. The terms of the Mandatory Purchase Program for NGI Fund and USFI Fund are disclosed in the prospectus qualifying each Fund's securities, and for each of the other Funds will be disclosed in the Fund's annual information form.

Mandatory Purchase Program

12. The trust agreements of NGI Fund and USFI Fund provide that the Fund, subject to certain exceptions noted below and compliance with any applicable regulatory requirements, is obligated to purchase any class A units of the Fund offered on the TSX if at any time the price at which the class A units are then offered for sale on the TSX is less than 98% of the latest net asset value (**NAV**) per class A unit provided that the maximum number of class A units that the Fund is required to purchase pursuant to the Mandatory Purchase Program in any rolling 10 business day period is 10% of the number of such class A units outstanding at the beginning of such 10 business day period.

13. Purchases under the Mandatory Purchase Program will only be made to the extent they may be funded by any excess income (if any) remaining in the Fund's portfolio after the payment of (or accrual for) all regular distributions to securityholders and all expenses. The trust agreements of NGI Fund and USFI Fund provide that the Fund will not be obligated to make such purchases if, among other things,

    (a) the Fund lacks the cash or other resources to make such purchases,

    (b) in the opinion of the Filer, the making of such purchases by the Fund

        (i) would adversely affect the ongoing activities of the Fund,

        (ii) is not in the best interests of the securityholders of the Fund or

        (iii) could result in the marketability of the Fund's securities being materially impaired to the detriment of the securityholders of the Fund or

    (c) there is, in the judgment of the Filer

        (i) any material legal action or proceeding instituted or threatened, challenging such transactions or otherwise materially adversely affecting the Fund or

        (ii) a suspension of or limitation on prices for trading securities generally on any exchange on which portfolio securities are traded.

Discretionary Purchase Program

14. The trust agreement of each of the Funds provides that the Fund, subject to applicable regulatory requirements, shall have the right, but not the obligation, exercisable in its sole discretion, at any time, to purchase securities of the Fund listed on the TSX which are outstanding in the market at prevailing market prices provided the market purchase price of the securities is less than their then current NAV per security.

Monthly Redemption Program

15. Subject to a Fund's right to suspend redemptions, securities of a Fund may be redeemed at the redemption price calculated as described in Schedule A on the last day of each month (other than a month on which an annual redemption date occurs) provided that such securities have been surrendered for redemption by the securityholder on or before the cut-off date set out in the Fund's prospectus (the **Monthly Redemption Program**).

Annual Redemption Program

16. Subject to a Fund's right to suspend redemptions, securities of a Fund may be redeemed at the annual redemption price calculated as described in Schedule A on the annual redemption date set out in the Fund's prospectus provided that such securities have been surrendered for redemption by the securityholder on or before the annual cut-off date set out in the Fund's prospectus (the **Annual Redemption Program**).

Resale of Repurchased Securities or Redeemed Securities

17. Purchases of securities made by all Funds under the Discretionary Purchase Program and the Redemption Programs are, purchases of securities made by NGI Fund and USFI Fund under the Mandatory Purchase Program are, and purchases of securities made by all of the other Funds under the Mandatory Purchase Program will be, exempt from the issuer bid requirements of the Legislation pursuant to exemptions contained therein.

18. Each Fund wishes to resell, in the Filer's sole discretion, through one or more securities dealers and through the facilities of the TSX (or another exchange on which the Listed Securities of the Fund are then listed), Listed Securities repurchased by the Fund pursuant to the Repurchase Programs (**Repurchased Securities**) or redeemed pursuant to the Redemption Programs (**Redeemed Securities**).

19. The trust agreements of NGI Fund and USFI Fund provide that any securities purchased by the Fund will be cancelled unless the Fund is able to resell the securities in accordance with applicable law or any exemption therefrom and the Filer is planning to amend the trust agreement of each of the other Funds to include the identical resale provision (collectively, the **Resale Provision**). The Filer will provide 30 days' written notice to securityholders of these other Funds prior to amending their trust agreements to include the Resale Provision. The Resale Provision for NGI Fund and USFI Fund is disclosed in the prospectus qualifying the securities of these Funds, and for each of the other Funds will be disclosed in the Fund's annual information form.

20. Increases in a Fund's management expense ratio resulting from repurchases and redemptions of its securities without the resale of such securities may negatively affect the liquidity of the Fund's securities on the secondary trading market. Allowing the Fund to resell Repurchased Securities and Redeemed Securities without incurring the cost of prospectus qualification will assist with (a) maintaining the Fund's management expense ratio at as low a level as possible and (b) improving the liquidity of the Fund's securities on the secondary trading market.

21. All Repurchased Securities or Redeemed Securities will be held by a Fund for a period of four months after their repurchase or redemption by the Fund (the **Holding Period**), prior to any resale.

22. The resale of Repurchased Securities or Redeemed Securities will not have a significant impact on the market price of the securities of the Funds.

23. Repurchased Securities or Redeemed Securities held by a Fund for resale will not be resold for less than the applicable repurchase or redemption price paid for such securities by the Fund. Consistent with section 9.3 of NI 81-102, Repurchased Securities or Redeemed Securities held by a Fund for resale will also not be resold for a price that is less than their NAV per security at the time of resale.

24. Repurchased Securities or Redeemed Securities that a Fund does not resell within 12 months after the Holding Period (that is, within 16 months after the date of repurchase or redemption, as applicable) will be cancelled by the Fund.

25. During any calendar year:

    (a) no Closed-End Fund will resell an aggregate number of Repurchased Securities and Redeemed Securities that is greater than 10% of the number of Listed Securities of the Closed-End Fund outstanding at the beginning of such calendar year; and

    (b) the Split Fund will not, in reselling any Capital Units and Preferred Securities either separately or combined as a combined security (each consisting of one Capital Unit and one Preferred Security):

        (i) resell an aggregate number of Repurchased Capital Units and Redeemed Capital Units that is greater than 10% of the number of Capital Units of the Split Fund outstanding at the beginning of such calendar year; or

        (ii) resell an aggregate number of Repurchased Preferred Securities and Redeemed Preferred Securities that is greater than 10% of the number of Preferred Securities of the Split Fund outstanding at the beginning of such calendar year.

26. Prospective purchasers of Repurchased Securities or Redeemed Securities of each Fund will have access to the Fund's continuous disclosure, which is and will be filed on SEDAR.

27. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased or redeemed by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, the Funds will not be able to resell the Repurchased Securities and Redeemed Securities without qualifying such securities for distribution by prospectus.

Decision

The Decision Maker is satisfied that the decision satisfies 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) prior to a Fund conducting any resale in reliance on this decision, the Fund's trust agreement provides (with any amendments described above having been made and any notice of such amendments described above having been given) for all of the following programs and provisions, each having the terms described in this decision: (i) the Redemption Program, (ii) the Discretionary Purchase Program, (iii) the Mandatory Purchase Program and (iv) the Resale Provision;

(b) the Repurchased Securities and Redeemed Securities are otherwise sold by a Fund in compliance with the Legislation through the facilities of and in accordance with the regulations and policies of the TSX or of any other exchange on which the Listed Securities of the Fund are then listed; and

(c) the Fund complies with the conditions of paragraphs 1 through 5 of subsection 2.8(2) of National Instrument 45-102 *Resale of Securities* with respect to the sale of the Repurchased Securities and Redeemed Securities.

"Christopher Portner"
Commissioner,
Ontario Securities Commission

"AnneMarie Ryan"
Commissioner,
Ontario Securities Commission

SCHEDULE A

Closed-End Funds

Name	Issued and outstanding TSX-listed securities, ticker symbol and date of receipted final prospectus(es) qualifying the securities for distribution		Securities redeemable monthly and annually (if surrendered by the cut-off date set out in the Fund's prospectus) using the pricing mechanism summarized below
Canadian Utilities & Telecom Income Fund (CUTI Fund)	**Issued and Outstanding Units[(1)]:**	3,509,502 Units	**Monthly**[(3), (4)] At lesser of (i) 95% of the Market Price and (ii) 100% of the Closing Market Price. **Annually *(other than CUTI Fund and LVUEI Fund)*** At net asset value (NAV) per security. **Annually *(CUTI Fund and LVUSEI Fund only)*** At NAV per security, less costs associated with the redemption. **Class U Units *(NGI Fund and USFI Fund only)*** Unlisted Class U Units are designed for investment in USD with the expectation that liquidity will be by conversion to, and sale on the exchange or redemption of, Class A Units.
	TSX Ticker Symbol:	UTE.UN	
	Date of Prospectus:	November 26, 2010	
Core Canadian Dividend Trust	**Issued and Outstanding Units[(1)]:**	774,846 Units	
	TSX Ticker Symbol:	CDD.UN	
	Date of Prospectus:	November 6, 2009 October 27, 2006	
Low Volatility U.S. Equity Income Fund (LVUSEI Fund)	**Issued and Outstanding Units[(1)]:**	867,508 Units	
	TSX Ticker Symbol:	LVU.UN	
	Date of Prospectus:	February 26, 2013	
NDX Growth & Income Fund (NGI Fund)	**Issued and Outstanding Units[(1)]:**	1,460,644 Class A Units 159,925 Class U Units	
	TSX Ticker Symbol[(2)]:	NGI.UN (Class A Units)	
	Date of Prospectus:	November 28, 2013	
U.S. Financials Income Fund (USFI Fund)	**Issued and Outstanding Units[(1)]:**	3,439,188 Class A Units 363,300 Class U Units	
	TSX Ticker Symbol[(2)]:	USF.UN (Class A Units)	
	Date of Prospectus:	January 29, 2015	
Top 10 Canadian Financial Trust	**Issued and Outstanding Units[(1)]:**	1,688,179 Units	
	TSX Ticker Symbol:	TCT.UN	
	Date of Prospectus:	November 6, 2009 September 28, 2005 February 15, 2000	

Notes:

(1) As at December 31, 2015.

(2) Class U Units of the Fund are not listed on the TSX.

(3) "Market Price" means the weighted average trading price of the Units or Class A Units, as the case may be, on the principal stock exchange on which the Units or Class A Units, as applicable, are listed for the ten trading days immediately preceding the applicable redemption date.

(4) "Closing Market Price" means the closing price of the Units or Class A Units, as the case may be, on the principal stock exchange on which the Units or Class A Units, as applicable, are listed or, if there was no trade on the relevant date, the average of the last bid and the last asking prices of the Units or Class A Units, as the case may be, on the principal stock exchange on which the Units or Class A Units, as applicable, are listed.

Split Fund

Name	Issued and outstanding TSX-listed securities, ticker symbol and date of initial receipted final prospectus qualifying the securities for distribution		Securities redeemable monthly and annually (if surrendered by the cut-off date set out in the Fund's prospectus) using the pricing mechanism summarized below
Top 10 Split Trust	**Issued and Outstanding Units[(1)]:**	1,332,821 (Capital Units) 1,332,821 (Preferred Securities)	**Monthly Redemption[(2)],[(3)]** ***For Capital Units*** At a discount to the lesser of Market Price and NAV per Unit in each case minus the cost of acquiring a Preferred Security in the market. ***For Preferred Securities[(2)],[(3)]*** At a discount to the lesser of Market Price and NAV per Unit minus in each case the cost of acquiring a Capital Unit in the market. **Annual Redemption[(2)],[(3)]** Combined at NAV per Unit OR in respect of a Capital Unit redeemed, the lesser of Market Price and NAV per Unit minus the cost of acquiring a Preferred Security in the market.
	TSX Ticker Symbol:	TXT.UN (Capital Units) TXT.PR.A (Preferred Securities)	
	Date of Prospectus:	January 27, 2006	

Notes:

(1) As at December 31, 2015.

(2) "NAV per Unit" means the NAV of one Capital Unit together with one Preferred Security.

(3) "Market Price" means the sum of (a) the weighted average trading price of the Capital Units on the principal stock exchange on which the Capital Units are listed for the ten trading days immediately preceding the applicable redemption date and (b) the weighted average trading price of the Preferred Securities on the principal stock exchange on which the Preferred Securities are listed for the ten trading days immediately preceding the applicable redemption date.

2.2 Orders

2.2.1 Arsenal Energy 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).

Citation: Re Arsenal Energy Inc., 2016 ABASC 256

October 11, 2016

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
ARSENAL ENERGY INC.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **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 Alberta 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 British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island 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

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

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.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.2.2 Mackenzie Financial Corporation et al. – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirement of paragraph 22(1)(b) of the CFA granted to sub-advisers headquartered in a foreign jurisdiction in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 8.26.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations made under the Securities Act (Ontario).

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.1.
Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.11.

October 7, 2016

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION,
IRISH LIFE INVESTMENT MANAGERS LIMITED AND
TOBAM S.A.S.

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Irish Life Investment Managers Limited (**ILIM**) and TOBAM S.A.S. (**TOBAM** and, together with ILIM, the **Sub-Advisers** and, each, a **Sub-Adviser**) and Mackenzie Financial Corporation (the **Principal Adviser**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA, that each Sub-Adviser (and individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of a Sub-Adviser in respect of the Sub-Advisory Services (as defined below) (the **Representatives**)) be exempt, for a specified period of time, from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Adviser for the benefit of the Clients (as defined below) regarding commodity futures contracts and commodity futures options traded on commodity futures exchanges (collectively, the **Contracts**) and cleared through clearing corporations;

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

AND UPON the Principal Adviser and the Sub-Advisers having represented to the Commission that:

1. The Principal Adviser is a corporation incorporated under the laws of the Province of Ontario, with its head office located in Toronto, Ontario. The Principal Adviser is registered as an (a) adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the *Securities Act* (Ontario) (the **OSA**) and under the securities legislation of each of the other provinces and territories of Canada; (b) investment fund manager in each of Ontario, Québec and Newfoundland and Labrador and (c) adviser in the category of commodity trading manager under the CFA.

2. The Principal Adviser has previously obtained relief similar to that sought in the Application in respect of its use of other unregistered sub-advisers, most recently in 2013.

3. ILIM is a corporation organized under the laws of Ireland with its head office located in Dublin, Ireland. ILIM is regulated by the Central Bank of Ireland as an investment firm authorized to advise on, *inter alia*, options, futures, swaps, forward rate agreements and any other derivative contracts relating to any of the following: (a) securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash and (b) commodities (other than commodities that can be physically settled, provided that they are traded on

a regulated market or on a multilateral trading facility) and not being for commercial purposes, if the commodities can be physically settled and have the characteristics of other derivative financial instruments, having regard to whether, *inter alia*, they are cleared and settled through recognized clearing houses or are subject to regular margin calls. It is also registered as an investment adviser with the Securities and Exchange Commission of the United States of America (the **SEC**).

4. ILIM is not registered in any capacity under the securities legislation of Ontario or any other jurisdiction of Canada or under the CFA. However, ILIM is relying on the international adviser exemption in section 8.26 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) in each of Ontario and Manitoba.

5. TOBAM is a Société par Actions Simplifiée organized under the laws of France, with its head office located in Paris, France. TOBAM is registered as a portfolio management company with the Autorité des Marchés Financiers in France and is authorized to advise on investments including commodity futures, commodity options and options on commodity futures. It is also registered as an investment adviser with the SEC.

6. In Canada, TOBAM is (a) registered as a restricted portfolio manager (restricted to advising "permitted clients" (as defined in NI 31-103)) under the securities legislation of each of Ontario, Québec and Alberta; (b) relying upon the international dealer exemption in section 8.18 of NI 31-103 in each of Ontario, Québec and Alberta and (c) relying upon the "permitted client" exemption from registration as an investment fund manager in section 4 of Multilateral Instrument 32-102 *Registration Exemptions for Non-Resident Investment Fund Managers* in each of Ontario and Québec.

7. Each Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the jurisdiction in which its head office is located that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario. As such, each Sub-Adviser is authorized and permitted to carry on the Sub-Advisory Services (as defined below) in the jurisdiction in which its head office is located.

8. Each Sub-Adviser engages in the business of an adviser in respect of Contracts in its principal jurisdiction. Among other activities, each Sub-Adviser engages in the business of advising others as to trading in commodity futures contracts, commodity futures options and options on commodity futures in its principal jurisdiction.

9. The Principal Adviser and the Sub-Advisers are not affiliates.

10. The Principal Adviser and the Sub-Advisers are not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada. ILIM is in compliance in all material respects with securities laws, commodity futures laws and derivatives laws in Ireland. TOBAM is in compliance in all material respects with securities laws, commodity futures laws and derivatives laws in France.

11. The Principal Adviser provides investment advice and/or discretionary portfolio management services in Ontario to: (a) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**); (b) pooled funds, the securities of which are available for purchase on a private placement basis in Ontario and the other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (the **Pooled Funds**); (c) clients who have entered into investment management agreements with the Principal Adviser to establish managed accounts (the **Managed Account Clients**) and (d) other Investment Funds, Pooled Funds and Managed Account Clients that may be established or retained in the future and in respect of which the Principal Adviser will engage a Sub-Adviser to provide portfolio advisory services (the **Future Clients**) (each of the Investment Funds, Pooled Funds, Managed Account Clients and Future Clients being referred to individually as a **Client** and collectively as the **Clients**).

12. Certain of the Clients may, as part of their investment program, invest in Contracts. The Principal Adviser acts, or will act, as a commodity trading manager in respect of such Clients.

13. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and a Sub-Adviser, will retain the applicable Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of Contracts in which the applicable Sub-Adviser has experience and expertise by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary authority to buy or sell Contracts for the Client (the **Sub-Advisory Services**), provided that:

(a) in each case, the Contracts must be cleared through an "acceptable clearing corporation" (as defined in National Instrument 81-102 *Investment Funds*, or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102; and

(b) such investments are consistent with the investment objectives and strategies of the applicable Client.

14. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA or is registered as a representative, a partner or an officer of a registered adviser and is acting on behalf of such registered adviser.

15. By providing the Sub-Advisory Services, each Sub-Adviser will be engaging in, or holding itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.

16. There is presently no rule or regulation under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA, which is provided under section 8.26.1 of NI 31-103.

17. A Sub-Adviser will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

18. The relationship among the Principal Adviser, the Sub-Advisers and any Client will be consistent with the requirements of section 8.26.1 of NI 31-103.

19. As would be required under section 8.26.1 of NI 31-103:

(a) the obligations and duties of each Sub-Adviser will be set out in a written agreement with the Principal Adviser; and

(b) the Principal Adviser will enter into a written contract with each Client, agreeing to be responsible for any loss that arises out of the failure of the applicable Sub-Adviser:

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client; or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**).

20. The written agreement between the Principal Adviser and each Sub-Adviser will set out the obligations and duties of each party in connection with the Sub-Advisory Services and permit the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the applicable Sub-Adviser in respect of the Sub-Advisory Services.

21. The Principal Adviser will deliver to the Clients all required reports and statements under applicable securities, commodity futures and derivatives legislation.

22. The offering document (the **Offering Document**) for each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will include the following disclosure (the **Required Disclosure**):

(a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the applicable Sub-Adviser to meet the Assumed Obligations; and

(b) a statement that there may be difficulty in enforcing any legal rights against the applicable Sub-Adviser (or any of its Representatives) because such Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

23. Prior to purchasing any securities of one or more of the Clients that are Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Investment Funds or Pooled Funds who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document).

24. Each Client that is a Managed Account Client for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested;

IT IS ORDERED, pursuant to section 80 of the CFA, that each Sub-Adviser and its Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA when acting as sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services provided that at the relevant time that such activities are engaged in:

(a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

(b) the Sub-Adviser's head office or principal place of business is in a foreign jurisdiction;

(c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario;

(d) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;

(e) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;

(f) the Principal Adviser has entered into a written agreement with the Clients, agreeing to be responsible for any loss that arises out of any failure of the applicable Sub-Adviser to meet the Assumed Obligations;

(g) the Offering Document of each Client that is an Investment Fund or Pooled Fund and for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will include the Required Disclosure;

(h) prior to purchasing any securities of one or more of the Clients that are Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Investment Funds or Pooled Funds who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document); and

(i) each Client that is a Managed Account Client for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client; and

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

(a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of a Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services; and

(c) five years after the date of this Order.

DATED at Toronto, Ontario, this 7th day of October, 2016

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.2.3 Vanguard Investments Canada Inc. and The Vanguard Group, Inc. – ss. 78(1), 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirement of paragraph 22(1)(b) of the CFA granted to a sub-adviser headquartered in a foreign jurisdiction in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 8.26.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations made under the Securities Act (Ontario) – Subsection 78(1) of the CFA - order to revoke previous order granting relief from the adviser registration requirement.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 78(1), 80.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.1.
Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.11.

October 7, 2016

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
VANGUARD INVESTMENTS CANADA INC. AND
THE VANGUARD GROUP, INC.

ORDER
(Section 80 and Subsection 78(1) of the CFA)

UPON the application (the Application) of Vanguard Investments Canada Inc. (the Principal Adviser) and The Vanguard Group, Inc. (the Sub-Adviser) to the Ontario Securities Commission (the Commission) for an order (a) pursuant to subsection 78(1) of the CFA, revoking the exemption order granted by the Commission to the Sub-Adviser on October 14, 2011 (the Previous Order) and (b) pursuant to section 80 of the CFA, that the Sub-Adviser and any individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of the Sub-Adviser in respect of the Sub-Advisory Services (as defined below) (the Sub-Adviser Individuals) be exempt, for a specified period of time, from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser for the Principal Adviser in respect of the Clients (as defined below) regarding commodity futures contracts and commodity futures options (collectively the Contracts) traded on commodity futures exchanges and cleared through clearing corporations;

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

AND UPON the Sub-Adviser and the Principal Adviser having represented to the Commission that:

1. The Principal Adviser is a corporation established under the laws of the Canada with its head office located in Toronto, Ontario.

2. The Principal Adviser is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, as an adviser in the category of portfolio manager and as a commodity trading manager in Ontario and as an exempt market dealer in each province of Canada.

3. The Principal Adviser is an indirect wholly-owned subsidiary of the Sub-Adviser.

4. The Sub-Adviser is a corporation established under the laws of the Commonwealth of Pennsylvania, United States, with its principal office in Malvern, Pennsylvania. The Sub-Adviser is wholly-owned by U.S. registered investment companies that are part of the Vanguard family of U.S. mutual funds and that are widely held by the public.

5. The Sub-Adviser is not a resident of any province or territory of Canada.

6. The Sub-Adviser is currently registered as an investment advisor in the United States with the U.S. Securities and Exchange Commission. The Sub-Adviser is also currently registered as a commodity trading advisor and commodity pool operator in the United States with the U.S. Commodity Futures Trading Commission, which permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario. As such, it is authorized and permitted to carry on the Sub-Advisory Services (defined below).

7. The Sub-Adviser engages in the business of an adviser in respect of Contracts in the United States.

8. The Sub-Adviser is not registered in any capacity under the CFA or the Securities Act (Ontario) (the OSA). The Sub-Adviser acts in reliance on the exemptions from the requirement to register as an adviser under the OSA pursuant to section 8.26.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103).

9. The Principal Adviser and the Sub-Adviser are not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada. The Sub-Adviser is in compliance in all material respects with U.S. securities and commodity futures laws.

10. The Principal Adviser is the investment fund manager of and provides discretionary portfolio management services in Ontario to: (i) existing Vanguard Canada exchange-traded funds (the Existing Vanguard Canada ETFs), the securities of which are qualified by prospectus for distribution to the public in all of the provinces and territories of Canada; and (ii) existing pooled funds (the Existing Pooled Funds), the securities of which are sold on a private placement basis in Ontario and certain other provinces of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 – *Prospectus Exemptions* (NI 45-106) or the OSA.

11. In the future, the Principal Adviser may provide discretionary portfolio management services in Ontario to: (i) additional Vanguard Canada exchange-traded funds (the Future Vanguard Canada ETFs and together with the Existing Vanguard Canada ETFs, the Vanguard Canada ETFs), the securities of which will be qualified by prospectus for distribution to the public in all of the provinces and territories of Canada; (ii) additional pooled funds (the Future Pooled Funds and together with the Existing Pooled Funds, the Pooled Funds), the securities of which will be sold on a private placement basis in Ontario and certain other provinces of Canada pursuant to prospectus exemptions contained in NI 45-106 or the OSA; (iii) investment funds, the securities of which will be qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada and will not be exchange-traded (the Investment Funds); and (iv) managed accounts of clients who will enter into investment management agreements with the Principal Adviser (the Managed Accounts) (each of the Vanguard Canada ETFs, Investment Funds, Pooled Funds and Managed Accounts is referred to individually as a Client and collectively as the Clients).

12. The discretionary portfolio management services provided by the Principal Adviser to its Clients include acting as an adviser with respect to both securities and Contracts where such investments are part of the investment program of such Clients.

13. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of securities and Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser, has retained the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of securities and Contracts in which the Sub-Adviser has experience and expertise by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary authority to buy or sell Contracts for the Client (the Sub-Advisory Services), provided that:

    (a) in each case, the Contracts are cleared through an "acceptable clearing corporation" (as defined in National Instrument 81-102 – Investment Funds, or any successor thereto (NI 81-102)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102 , or any successor thereto; and

    (b) such investments are consistent with the investment objectives and strategies of the applicable Client.

14. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as partner or an officer of a registered adviser and is acting on behalf of a registered adviser.

15. By providing the Sub-Advisory Services, the Sub-Adviser and any Sub-Adviser Individuals will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.

16. There is presently no rule or regulation under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA that is provided under section 8.26.1 of NI 31-103.

17. The relationship among the Principal Adviser, the Sub-Adviser and any Client is consistent with the requirements of section 8.26.1 of NI 31-103.

18. The Sub-Adviser and the Sub-Adviser Individuals will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

19. As would be required under section 8.26.1 of NI 31-103:

    (a) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser; and

    (b) the Principal Adviser has entered or will enter into a written agreement with each of the Clients on whose behalf investment advice is or portfolio management services are being provided, agreeing to be responsible for any loss that arises out of the failure of the Sub-Adviser;

        (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client, or

        (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the Assumed Obligations).

20. The written agreement between the Principal Adviser and the Sub-Adviser sets out the obligations and duties of each party in connection with the Sub-Advisory Services and will permit the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Sub-Adviser in respect of the Sub-Advisory Services.

21. The Principal Adviser will deliver to the Clients all applicable reports and statements required under applicable securities, commodity futures and derivatives legislation.

22. The prospectus or other offering document, if any, (in either case, the Offering Document) for each Client that is a Vanguard Canada ETF, a Pooled Fund or an Investment Fund and for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will include the following disclosure (the Required Disclosure):

    (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

    (b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Sub-Adviser Individuals) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

23. Prior to purchasing any securities of one or more of the Clients that is a Vanguard Canada ETF, an Investment Fund or a Pooled Fund, any investor in such Client that resides in Ontario and purchases securities of such Client directly from the Principal Adviser will receive the Required Disclosure in writing (which may be in the form of an Offering Document).

24. Each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive the Required Disclosure in writing prior to the purchasing of any Contracts for such Client.

25. The Principal Adviser and the Sub-Adviser obtained substantially similar relief in the Previous Order, pursuant to which the Sub-Adviser provided Sub-Advisory Services to the Principal Adviser in respect of the Clients.

26. The expiry of the five year period set out in the Previous Order has triggered the requested Order.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the relief requested;

IT IS ORDERED, pursuant to subsection 78(1) of the CFA, that the Previous Order is revoked;

IT IS ORDERED, pursuant to section 80 of the CFA, that the Sub-Adviser and its Sub-Adviser Individuals are exempt from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser for the Principal Adviser in respect of the Clients regarding Contracts, provided that at the relevant time that such activities are engaged in:

(a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

(b) the Sub-Adviser's head office or principal place of business is in a foreign jurisdiction;

(c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario;

(d) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;

(e) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;

(f) the Principal Adviser has entered into a written agreement with the Clients agreeing to be responsible for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations;

(g) the Offering Document for each Client that is a Vanguard Canada ETF, a Pooled Fund or an Investment Fund and for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will include the Required Disclosure;

(h) prior to purchasing any securities of one or more of the Clients that are Vanguard Canada ETFs, Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Clients who are Ontario residents will receive, or have received, the Required Disclosure in writing; and

(i) each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchasing of any Contracts for such Client;

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

(a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of the Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services; and

(c) five years after the date of this Order.

DATED at Toronto, Ontario, this 7th day of October, 2016

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario securities Commission

2.2.4 Lance Kotton and Titan Equity Group Ltd. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
LANCE KOTTON and TITAN EQUITY GROUP LTD.

TEMPORARY ORDER
(Subsections 127(7) and (8))

WHEREAS:

1. on November 6, 2015, the Ontario Securities Commission (the "Commission") ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, RSO 1990, c S.5 (the "Act"), that:

   (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Lance Kotton ("Kotton") and Titan Equity Group Ltd. ("TEG" and, together with Kotton, the "Respondents") shall cease; and

   (b) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents

   (the "Temporary Order");

2. the Commission further ordered that the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission;

3. on November 9, 2015, the Commission issued a Notice of Hearing providing notice that it will hold a hearing on November 19, 2015, to consider whether, pursuant to subsections 127(7) and 127(8) of the Act, it is in the public interest for the Commission to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considers appropriate;

4. on November 16, 2015, upon application by the Commission pursuant to section 129 of the Act, the Ontario Superior Court of Justice (Commercial List) made an order (the "Appointment Order") appointing Grant Thornton Limited as receiver and manager (the "Receiver") without security, of all of the assets, undertakings and properties of Lance Kotton, TEG and other related entities;

5. the Appointment Order empowered and authorized, but did not obligate, the Receiver to, among other things, defend all proceedings pending with respect to Kotton and TEG and other related entities referred to in the Appointment Order;

6. the Receiver, through its counsel, advised that it did not propose to defend the proceedings against the Respondents in respect of the Temporary Order;

7. the Respondents, through their own counsel, consented to an extension of the Temporary Order until December 17, 2015, which order was further extended on consent until October 13, 2016;

8. the Respondents have consented to an extension of the Temporary Order, without prejudice to any position that might be advanced by them in the future with respect to the Temporary Order or the matters raised in the Notice of Hearing; and

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

IT IS ORDERED that:

1. the Temporary Order is extended until November 21, 2016, or until further order of the Commission without prejudice to the right of Staff or the Respondents to seek to vary the Temporary Order on application to the Commission; and

2. the hearing of this matter is adjourned until November 18, 2016 at 10:00 a.m., or such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto, Ontario this 12th day of October, 2016.

"Timothy Moseley"

2.2.5 Migao 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).

Citation: 2016 BCSECCOM 355

October 13, 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
MIGAO 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, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, 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 Besra Gold Inc. – s. 144

Headnote

Section 144 – application for variation of cease trade order – issuer cease traded due to failure to file certain continuous disclosure documents required by Ontario securities law – issuer has applied for a partial revocation of the cease trade order to permit the issuer to proceed with a proposal under the Bankruptcy and Insolvency Actand to permit the issuer to proceed with a private placement with an accredited investor (as such term is defined under Ontario securities law) – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
BESRA GOLD INC.

ORDER
(SECTION 144)

WHEREAS the securities of Besra Gold Inc. (the **Filer**) are subject to a temporary cease trade order made by the Director of the Ontario Securities Commission (the **Commission**) dated December 17, 2014 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order issued by the Director of the Commission on December 29, 2014 pursuant to paragraph 2 of subsection 127(1) of the Act (together, the **Cease Trade Order**) directing that trading in securities of the Filer cease until further order by the Director;

AND WHEREAS additional cease trade orders were issued by the British Columbia Securities Commission on December 17, 2014, the Autorité des marchés financiers on January 5, 2015 and the Alberta Securities Commissions on March 30, 2015 (collectively, the **Additional Cease Trade Orders**);

AND WHEREAS notwithstanding the Additional Cease Trade Orders, the Filer has applied only to the Commission pursuant to section 144 of the Act for a partial revocation of the Cease Trade Order;

AND WHEREAS the Filer has represented to the Commission that:

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act* with a head office located in Auckland, New Zealand.

2. The Filer is a reporting issuer in Ontario, British Columbia, Alberta and Quebec. Ontario is the Filer's principal regulator.

3. The Filer's registered office is located at 366 Adelaide Street West, LL01, Toronto, ON M5V 1R9.

4. The Filer is a "venture issuer" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**). The Filer has a financial year ending June 30.

5. The Filer's authorized capital consists of an unlimited number of common shares (**Common Shares**) of which 378,781,274 Common Shares were issued and outstanding as of July 31, 2016. The Common Shares were traded on the Toronto Stock Exchange (**TSX**) under the symbol "BEZ". However, the TSX delisted the Common Shares effective October 17, 2014.

6. In addition to its listing on the TSX, the Filer was also listed on the Australian Securities Exchange (the **ASX**) under the symbol "BEZ" and traded on the OTCQX Bulletin Board, an over-the-counter market in the United States, under the symbol "BSRAF. Trading in the Common Shares on the ASX was suspended on October 10, 2014. The ASX subsequently removed the Filer from its official list as of the close of trading on August 31, 2015 and, accordingly, its

securities are no longer traded on the ASX. The Filer was downgraded from the OTCQX Bulletin Board to the OTCQB Bulletin Board effective October 20, 2014 for failure to comply with OTCQX eligibility standards.

7. The Filer was required to file the following on or before September 29, 2014 (the **First Filing Deadline**):

   (a) audited annual financial statements for the year ended June 30, 2014, as required by Part 4 of NI 51-102;

   (b) management's discussion and analysis (**MD&A**) relating to the audited annual financial statements, as required by Part 5 of NI 51-102; and

   (c) CEO and CFO certificates relating to the audited annual financial statements, as required by National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* (collectively, the **First Required Filings**).

8. The Filer did not make the First Required Filings by the First Filing Deadline and has failed to file financial statements, MD&A or CEO and CFO certificates for any periods subsequent to the First Filing Deadline (the **Subsequent Required Filings** and, together with the First Required Filings, the **Required Filings**).

9. The Filer is not in default of any requirements of the Act or the rules and regulations made pursuant thereto, other than the failure to file the Required Filings.

10. The Filer was unable to make the First Required Filings because it did not have sufficient funds to engage its external auditor, Ernst & Young LLP, to perform an audit of the annual financial statements as required. The Filer has failed to make any of the Subsequent Required Filings also due to insufficient funds.

11. In addition to the Cease Trade Order and the Additional Cease Trade Orders, the securities of the Filer were subject to a Management Cease Trade Order dated October 10, 2014 issued by the Commission relating to the Filer's failure to file the First Required Filings.

12. There are no revocation applications currently in progress in any other jurisdictions as there are no trades contemplated to occur in such jurisdictions.

13. On March 5, 2015, the Commission ordered pursuant to section 144 of the Act, that the Cease Trade Order be partially revoked solely to permit the trades and acts in furtherance of trades in connection with a proposed private placement financing by the Filer for proceeds of up to $15,000,000 (the **Previous Financing**). The Filer intended for the Previous Financing to raise sufficient funds to engage its auditors to audit the Required Filings as required by applicable securities legislation and to otherwise address any defaults of the Filer under securities legislation. The Filer closed a first tranche of the Previous Financing on April 7, 2015, resulting in gross proceeds to the Filer of $2,000,000. Though the Filer anticipated closing the remaining of the Previous Financing, the proposed investor under the Previous Financing was unable to meet its obligations thereunder and no further funds were received by the Filer. The $2,000,000 received by the Filer was insufficient to fully repay amounts outstanding to the Filer's auditors and to engage the Filer's auditors or another suitably qualified audit firm to rectify all defaults under securities legislation, while managing the Filer's dire working capital position, which necessitated the application of funds towards preserving assets and for operational purposes.

14. When it became clear to the Filer that the proposed investor under the Previous Financing would not be able to fulfill its commitments under the Previous Financing, and in light of the Filer's further deteriorating financial position, on October 19, 2015, the Filer filed a Notice of Intention To Make a Proposal under the *Bankruptcy and Insolvency Act* (R.S.C., 1985, c. B-3) (the **BIA**). MNP Ltd. was named as the proposal trustee (the **Proposal Trustee**).

15. The purpose of the proceedings under the BIA was to facilitate the restructuring of the Filer's unsecured convertible and gold-linked notes and other unsecured indebtedness, totalling in the aggregate approximately $71 million of obligations, and to otherwise provide stability to the Filer's business while the Filer, with the assistance of the Proposal Trustee, worked on formulating and presenting a viable proposal to creditors holding such indebtedness.

16. On January 29, 2016, the Filer lodged a proposal with the Proposal Trustee, which was in turn filed with the Office of the Superintendent of Bankruptcy.

17. On March 13, 2016, following discussions with its major unsecured creditors, the Filer lodged an amended proposal (the **Amended Proposal**) with the Proposal Trustee, which was in turn filed with the Office of the Superintendent of Bankruptcy.

18. On April 7, 2016, at the reconvened meeting of the creditors, the creditors of the Filer voted to accept the Amended Proposal in accordance with the approval requirements under the BIA.

19. On May 17, 2016, the Amended Proposal was approved by the Ontario Superior Court of Justice (Commercial List). As of July 31, 2016, 431 creditors have filed a proof of claim with the Proposal Trustee and, as such, are subject to the Amended Proposal.

20. In summary, the Amended Proposal offers the Filer's creditors the option of selecting one of the following four options:

    (a) Option 1 – to receive 3.25% of such creditor's proven claim in cash and the remaining 96.75% in the form of a convertible note;

    (b) Option 2 – to receive 70% of such creditor's proven claim in Common Shares and the remaining 30% in the form of warrants to purchase Common Shares;

    (c) Option 3 – to divide such creditor's proven claim equally between Option 1 and Option 2; or

    (d) Option 4 – a "convenience" cash payment equal to the lesser of $3,000 and such creditor's proven claim.

21. Each creditor may elect one of the above options by completing and submitting a creditor election form on or before the date on which all conditions of the Amended Proposal are satisfied and the Amended Proposal is implemented, failing which such creditor will be deemed to have selected Option 4.

22. Options 2 and 3 are subject to restriction on the number of Common Shares that can be issued to creditors electing such options. The total number of Common Shares so issuable shall not comprise more than thirty-three percent (33%) of the Common Shares following the Exit Financing (as defined below), on a fully diluted basis as to Common Shares (other than dilution from the conversion of convertible notes or warrants issued pursuant to the Amended Proposal or upon the conversion of any warrants issued pursuant to the Exit Financing). If the value of creditor claims electing Option 2 and 3 exceeds such limit, then the amount by which such creditor claims exceeds such limit will be automatically converted to Option 1 on a *pro rata* basis.

23. The closing of the transactions contemplated by the Amended Proposal is contingent on, inter alia, the completion of an exit financing resulting in proceeds to the Filer of not less than $10,000,000 (the **Exit Financing**).

24. The Filer has entered into a commitment letter with Hedger Management SA (the **Proposed Investor**) pursuant to which the Proposed Investor may invest up to $20,000,000 by way of one or more of secured convertible notes, preferred shares or similar instrument ranking in preference to the Common Shares as well as warrants to purchase Common Shares (the **Proposed Exit Financing**). The up to $20,000,000 proposed investment consists of a committed first tranche in the amount of $10,000,000 (the **Committed Tranche**) and two subsequent tranches of $5,000,000, which subsequent tranches will be at the discretion of the Proposed Investor. The Filer will not close on any amounts under the Proposed Exit Financing unless the full Committed Tranche is received. The proposed valuation for the Proposed Exit Financing is such that a $15,000,000 investment is expected to result in the issuance on an as-converted basis of 50.1% of the Common Shares of the Filer post-issuance.

25. The Filer intends to use the $10,000,000 from the Committed Tranche as follows:

Cash settlements in relation to court approved creditors proposal for Besra Gold Inc.	$2,200,000
Compliance & audit and associated professional fees	$960,000
Payments to suppliers, management and staff	$1,290,000
Bau Project & Malaysian Costs	$2,000,000
Acquisition payments for Bau Project	$2,500,000
Ongoing Working Capital	$1,000,000
Applications to apply for a full revocation of all cease trade orders issued against the Filer	$50,000
Total	**$10,000,000**

26. The $960,000 earmarked above for "compliance & audit and associated professional fees" and the $50,000 earmarked above for "applications to apply for a full revocation of all cease trade orders issued against the Filer" will be immediately deposited upon closing of the first tranche of the Proposed Exit Financing into an escrow account with a third party escrow agent to be released only for such purposes.

27. The Filer contemplates closing the transactions contemplated by the Amended Proposal concurrent with the closing of the first tranche of the Proposed Exit Financing. As described above, depending on the elections made by the creditors in accordance with the options available to them, the Amended Proposal when completed will involve the issuance of convertible notes (pursuant to Option 1 and Option 3) and Common Shares and warrants (pursuant to Option 2 and Option 3).

28. If the Filer succeeds in receiving the funds from the Committed Tranche, the intention of the Filer is to remedy all defaults under securities legislation and to pursue the listing of the Common Shares on a stock exchange and in connection therewith, the Filer intends on engaging auditors to perform all audits required in connection with the Required Filings.

29. If the Filer succeeds in receiving the funds from the Committed Tranche, the Filer will have the necessary financial and human resources, including a reasonable number of directors and officers in place to address the defaults under the Required Filings in a timely and effective manner and comply with all other continuous disclosure requirements.

30. The Filer will pay all outstanding filing fees and participation fees owing and will apply for a full revocation of the cease trade orders in all jurisdictions within one-hundred-twenty (120) days of the completion of the first tranche of the Proposed Exit Financing.

31. The Filer has delivered an undertaking to the Commission to (i) place $1,010,000 in escrow with a third party escrow agent immediately upon closing of the first tranche of the Proposed Exit Financing, and (ii) within one-hundred-twenty (120) days of the date of closing of the first tranche of the Proposed Exit Financing, bring itself back into compliance with its continuous disclosure obligations by filing all outstanding continuous disclosure documents that are required to be filed in all jurisdictions, paying all outstanding filing fees and participation fees owing, and apply for a full revocation of cease trade orders in all jurisdictions.

32. The Filer anticipates that securities issuable under the Amended Proposal will be issued pursuant to the "business combination and reorganization" exemption in section 2.11 of National Instrument 45-106 *Prospectus Exemptions* and that the securities issuable under the Proposed Exit Financing will be issued pursuant to the "accredited investor" exemption in s. 73.3(2) of the *Securities Act* (Ontario).

33. The Proposed Investor is at arms-length to the Filer. All of the 431 creditors subject to the Amended Proposal, except for six creditors, are at arms-length to the Filer. Such six creditors are each a "related party" of the Filer as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**). The claims of such related party creditors in aggregate amount to approximately $1,577,040 or approximately 2.22% of the total quantum of claims subject to the Amended Proposal.

34. The Filer is exempt from the formal valuation and minority approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(a), respectively of MI 61-101. The Filer's board of directors has determined, acting in good faith, that neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transactions, insofar as it involves interested parties (as defined in MI 61-101), exceeds 25 per cent of the issuer's market capitalization.

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

AND WHEREAS the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order be and is hereby partially revoked solely to permit the trades and acts in furtherance of trades that are necessary for and are in connection with the Amended Proposal and the Committed Tranche of the Proposed Exit Financing and all other acts in furtherance of the Amended Proposal and the the Committed Tranche of the Proposed Exit Financing that may be considered to fall within the definition of "trade" within the meaning of the Act, provided that:

(a) prior to the completion of the Committed Tranche of the Proposed Exit Financing, the Filer will:

(i) provide a copy of the Cease Trade Order to the Proposed Investor and to each creditor of the Filer under the Amended Proposal or such creditor's legal representative;

(ii) provide a copy of this order to the Proposed Investor and to each creditor of the Filer under the Amended Proposal or such creditor's legal representative; and

(iii) obtain signed and dated acknowledgements from the Proposed Investor and from each creditor of the Filer under the Amended Proposal or such creditor's legal representative, clearly stating that all of the Filer's securities, including the securities to be issued in connection with the Proposed Exit Financing and under the Amended Proposal, will remain subject to the Cease Trade Order until it is revoked, and that the granting of this order does not guarantee the issuance of a full revocation order in the future;

(b) the Filer undertakes to make available copies of the signed and dated written acknowledgments referred to in paragraph (a)(iii) above to staff of the Commission on request; and

(c) the order will terminate on the earlier of the completion of the Amended Proposal and 90 days from the date hereof.

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

"Michael Balter"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.7 MM Café Franchise Inc. et al. – Rule 1.7.4 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
MM CAFÉ FRANCHISE INC.,
TECHOCAN INTERNATIONAL CO. LTD.,
1727350 ONTARIO LTD.,
MARIANNE GODWIN,
DAVE GARNET CRAIG and
HAIYAN (HELEN) GAO JORDAN

ORDER
(Rule 1.7.4 of the Ontario Securities Commission's Rules of Procedure)

WHEREAS:

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

2. on April 29, 2016, Staff filed with the Commission an Amended Statement of Allegations;

3. on July 26, 2016, Staff filed with the Commission:

   (a) a Notice of Withdrawal withdrawing the allegations against DCL, Culturalite, CET, DeLuca and Concepcion; and

   (b) an Amended Amended Statement of Allegations withdrawing certain allegations against Jordan;

4. on October 11, 2016, LAP counsel for Craig, Thornton Grout Finnigan LLP (TGF) filed a notice of motion accompanied by a motion record and factum, pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure*, (2014), 37 OSCB 4168, for leave to withdraw as the representative of Craig (the Withdrawal Motion);

5. TGF provided the Affidavit of Marie Criscione sworn October 11, 2016, in support of the Withdrawal Motion; and

6. Craig has been given notice of the Withdrawal Motion as evidenced in the Affidavit of Service of Marie Criscione sworn October 11, 2016.

IT IS ORDERED that:

1. the Withdrawal Motion be heard in writing; and

2. TGF is granted leave to withdraw as the representative of Craig.

DATED at Toronto this 14th day of October, 2016.

"Janet Leiper"

2.2.8 Ovivo Inc.

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).

[Translation]

October 17, 2016

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

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

ORDER

Background

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

(b) the Filer has provided notice that subsection 4C.5(1) of *Regulation 11-102 respecting Passport System* ("Regulation 11-102") is intended to be relied upon in British Columbia and Alberta, 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

Terms defined in *Regulation 14-101 respecting Definitions*, Regulation 11-102 and, in Québec, in *Regulation 14-501Q on definitions* 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 *Regulation 51-105 respecting 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 *Regulation 21-101 respecting 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

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.

"Martin Latulippe"
Director, Continuous Disclosure
Autorité des marchés financiers

2.2.9 The Falls Capital Corp. et al. – s. 127(1)

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

AND

IN THE MATTER OF
THE FALLS CAPITAL CORP.,
DEERCREST CONSTRUCTION FUND INC.,
WEST KARMA LTD. and
RODNEY JACK WHARRAM

ORDER
(Subsection 127(1) of the Securities Act)

WHEREAS:

1. On November 25, 2015, the British Columbia Securities Commission issued a decision in which it imposed sanctions against The Falls Capital Corp., Deercrest Construction Fund Inc., West Karma Ltd., and Rodney Jack Wharram (collectively, the "**Respondents**");

2. On August 2, 2016, Staff of the Ontario Securities Commission (the "**Commission**") filed a Statement of Allegations, in which Staff seeks an order imposing sanctions against the Respondents, and the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting August 29, 2016 as the hearing date;

3. On August 22, 2016, Staff filed an affidavit of service sworn by Lee Crann, 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 August 29, 2016, Staff appeared before the Commission and made submissions and the Respondents did not appear or make submissions, although properly served;

5. On August 29, 2016, the Commission issued an order:

    a. granting Staff's application to continue this proceeding by way of a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168, and subsection 5.1(1) of the *Statutory Powers Procedure Act*, RSO 1990, c S.22; and

    b. requiring that:

        i. Staff's written materials be served and filed by September 8, 2016;

        ii. the Respondents' responding written materials, if any, be served and filed by October 6, 2016; and

        iii. Staff's reply written materials, if applicable, be served and filed by October 20, 2016;

6. On September 7, 2016, Staff filed Staff's Written Submissions, Brief of Authorities and Hearing Brief;

7. On September 12, 2016, Staff filed an affidavit of service sworn by Lee Crann, describing steps taken by Staff to serve the Respondents with the order issued August 29, 2016, and Staff's written hearing materials;

8. No responding materials were filed on behalf of the Respondents;

9. Pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, an order made by a securities regulatory authority in any jurisdiction that imposes sanctions, conditions, restrictions or requirements on a person may form the basis for an order made under subsection 127(1) of the *Securities Act*; and

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

IT IS ORDERED:

1. against Rodney Jack Wharram ("**Wharram**") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities or derivatives by Wharram cease permanently;

b. pursuant to paragraph 2.1 of subsection 127(1) of the *Securities Act*, the acquisition of any securities by Wharram is prohibited permanently;

c. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the *Securities Act*, Wharram resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;

d. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the *Securities Act*, Wharram is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and

e. pursuant to paragraph 8.5 of subsection 127(1) of the *Securities Act*, Wharram is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

2. against The Falls Capital Corp. ("**The Falls**") that:

a. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities of The Falls cease permanently;

b. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities or derivatives by The Falls cease permanently;

c. pursuant to paragraph 2.1 of subsection 127(1) of the *Securities Act*, the acquisition of any securities by The Falls is prohibited permanently; and

d. pursuant to paragraph 8.5 of subsection 127(1) of the *Securities Act*, The Falls is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

3. against Deercrest Construction Fund Inc. ("**Deercrest**") that:

a. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities of Deercrest cease permanently;

b. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities or derivatives by Deercrest cease permanently;

c. pursuant to paragraph 2.1 of subsection 127(1) of the *Securities Act,* the acquisition of any securities by Deercrest is prohibited permanently; and

d. pursuant to paragraph 8.5 of subsection 127(1) of the *Securities Act*, Deercrest is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter; and

4. against West Karma Ltd. ("**West Karma**") that:

a. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities of West Karma cease permanently;

b. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, trading in any securities or derivatives by West Karma cease permanently;

c. pursuant to paragraph 2.1 of subsection 127(1) of the *Securities Act*, the acquisition of any securities by West Karma is prohibited permanently; and

d. pursuant to paragraph 8.5 of subsection 127(1) of the *Securities Act*, West Karma is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter.

DATED at Toronto this 17th day of October, 2016.

"Timothy Moseley"

2.2.10 OneChicago, LLC – s 147 of the Act and ss. 38 and 80 of the CFA

Headnote

Application for an order that a Designated Contract Market registered with the United States Commodity Futures Trading Commission is exempt from the requirement to be recognized as an exchange or commodity futures exchange in Ontario and exemption from the registration requirement under section 22 of the Commodity Futures Act with respect to trades in contracts on OneChicago Exchange by hedgers and by banks listed in Schedule I to the Bank Act (Canada) entering orders as principal and only for their own accounts. – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 147.
Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 15, 22, 38, 80.

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

AND

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(THE CFA)

AND

IN THE MATTER OF
ONECHICAGO, LLC

ORDER
(Section 147 of the OSA and sections 38 and 80 of the CFA)

WHEREAS OneChicago, LLC (**OneChicago**) has filed an application (**Application**) with the Ontario Securities Commission (**Commission**) requesting:

a. an order pursuant to section 147 of the OSA exempting OneChicago from the requirement to be recognized as an exchange under subsection 21(1) of the OSA;

b. an order pursuant to section 80 of the CFA exempting OneChicago from the requirement to be registered as a commodity futures exchange under subsection 15(1) of the CFA (together with the requested order above, **Exchange Relief**);

c. an order pursuant to section 38 of the CFA exempting trades in contracts on OneChicago by a "hedger," as defined in subsection 1(1) of the CFA (**Hedger**), from the registration requirement under section 22 of the CFA (**Hedger Relief**); and

d. an order pursuant to section 38 of the CFA exempting trades in contracts on OneChicago by a bank listed in Schedule I to the *Bank Act* (Canada) (**Bank**) entering orders as principal and for its own account only from the registration requirement under Section 22 of the CFA (**Bank Relief** and, together with the Hedger Relief, **Registration Relief**).

AND WHEREAS OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario* (**Rule 91-503**) exempts trades of commodity futures contracts or commodity futures options made on commodity futures exchanges not registered with or recognized by the Commission under the CFA from sections 25 and 53 of the OSA;

AND WHEREAS the deemed rule titled *In the Matter of Trading in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges in the United States of America* provides that section 33 of the CFA does not apply to trades entered into a commodity futures exchange designated by the United States (**U.S.**) Commodity Futures Trading Commission (**CFTC**) under the U.S. Commodity Exchange Act (**CEA**);

AND WHEREAS OneChicago has represented to the Commission that:

1. OneChicago is a limited liability company organized under the laws of the State of Delaware;

2. OneChicago receives a majority of its revenue from transaction and carry fees, which include electronic trading fees and charges for carrying positions in futures contracts listed on OneChicago (**OneChicago Contracts**);

3. OneChicago is a designated contract market (**DCM**) by the CFTC, within the meaning of that term under the CEA. OneChicago is subject to regulatory supervision by the CFTC, a U.S. federal regulatory agency. OneChicago is obligated under the CEA to give the CFTC access to all records unless prohibited by law or such records are subject to solicitor-client privilege. The CFTC reviews, assesses and enforces OneChicago's adherence to the CEA and regulations thereunder on an ongoing basis, including DCM core principles (**DCM Core Principles**) relating to the operation and oversight of OneChicago's markets, including financial resources, systems and controls, maintenance of an orderly market, execution and settlement of transactions, rule-making and investor protection;

4. OneChicago is notice registered with the U.S. Securities and Exchange Commission (**SEC**) as a national securities exchange for the limited purpose of trading security futures products. As a condition of its notice-registration, OneChicago is required to comply with certain sections of the *Securities Exchange Act of 1934* (**SEA**);

5. The CFTC's Division of Market Oversight, Compliance Branch conducts regular in-depth reviews of each DCM's ongoing compliance with CFTC regulations in order to enforce its rules, prevent market manipulation and customer and market abuses, and to ensure the recording and safe storage of trade information. The results of these rule enforcement reviews are in most cases summarized in reports by the CFTC which are made available to the public and posted on the CFTC's website;

6. OneChicago provides trading services for its market participants (**OneChicago Participants**) transacting in physically-settled security futures products and may list for trading cash-settled security futures products. OneChicago Contracts overlay publicly-traded equity securities. OneChicago Participants may include commercial and investment banks, money managers, hedge funds, proprietary trading firms, and retail investors. All OneChicago Contracts are cleared through the Options Clearing Corporation (**OCC**), which is exempted by the Commission from the requirement to be recognized as a clearing agency under Section 21.2 of the OSA, by OCC Clearing Members (**OCC Clearing Member**);

7. OneChicago maintains and operates an electronic trading system known as OCXdelta1, which functions as an electronic central limit order book (**Trading System**) where entities trade OneChicago Contracts. OneChicago Participants trade OneChicago Contracts on both a proprietary and agency basis. Agency trades are handled by broker dealers (**BDs**) or futures commission merchants (**FCMs**);

8. OCXdelta1 also supports the reporting of privately-negotiated, bilateral trades such as block trades (**Block Trades**) and Exchange of Future for Physical (**EFP**) trades in accordance with CFTC regulations and the OneChicago Rulebook;

9. Orders entered, and trades reported, into OCXdelta1 are subject to risk limit checks by OneChicago's proprietary risk management system, OCX.RiskMan (**RiskMan**). RiskMan performs risk checks such as maximum order contract quantity, maximum order notional value, maximum daily notional value, and restricted list functionality;

10. OneChicago does not have any offices or maintain other physical installations in Ontario or any other Canadian province or territory;

11. OneChicago proposes to offer direct access in Ontario to its Trading System and facilities to prospective participants in Ontario (**Ontario Participants**). To obtain direct access to the Trading System and facilities of OneChicago, an Ontario Participant must execute (i) an OCXdelta1 User Agreement, (ii) a Responsible Administrator Form, and (iii) an Authorized Trade Reporter Form. Additional agreements may need to be completed depending on whether the Ontario Participant intends to access OneChicago as a Clearing Member, Exchange Member, or Access Person;

12. OneChicago expects that Ontario Participants will be certain Canadian financial institutions (within the meaning of such term in subsection 1.1(3) of National Instrument 14-101 *Definitions*) and certain other market participants that have a head office or principal place of business in Ontario, such as (i) dealers that are engaged in the business of trading futures contracts in Ontario; and (ii) institutional investors and proprietary trading firms;

13. OneChicago Contracts fall within the definition of "commodity futures contract" as defined in section 1 of the CFA, as interpreted by OSC Rule 14-502. Therefore, OneChicago is prohibited from carrying on business in Ontario unless it is registered or exempt from registration as a commodity futures exchange under subsection 15(1) of the CFA;

14. As OneChicago intends to provide Ontario Participants with access in Ontario to its Trading System and facilities to trade OneChicago Contracts, OneChicago is considered to be "carrying on business as a commodity futures exchange in Ontario";

15. Additionally, the exemption from registration in subsection 32(a) of the CFA applies for trades "by a hedger through a dealer." This exemption will not be available for trades in OneChicago Contracts by Ontario resident Hedgers that become OneChicago Participants since they will have direct access to OneChicago but will not be considered to be executing "though a dealer." For this reason, OneChicago is seeking Commission approval for the Hedger Relief;

16. Section 35.1 of the OSA provides that financial institutions are exempt from the requirement to be registered under the OSA to act as dealers provided that the conditions of the exemption are met. However, there is no corresponding exemption from registration for trades by financial institutions in the CFA. For this reason, OneChicago is seeking Commission approval for the Bank Relief;

17. OneChicago is not registered with or recognized by the Commission as a commodity futures exchange under the CFA and none of the OneChicago Contracts have been accepted by the Director (as defined in the OSA) under the CFA. As a result, OneChicago Contracts are also considered "securities" under paragraph (p) of the definition of "security" in section 1 of the OSA and OneChicago is considered to be an "exchange" under the OSA. Therefore, OneChicago is prohibited from carrying on business in Ontario unless it is recognized or exempt from recognition under subsection 21(1) of the OSA;

18. Further, while OneChicago Contracts are also considered "securities" under paragraph (p) of the definition of "security" in section 1 of the OSA for the reasons outlined in the preceding paragraph, OneChicago Contracts would not be considered "securities" under any other paragraph contained in that definition, nor would any OneChicago Contract be considered a "derivative" as defined in section 1(1) of the OSA;

19. Similar to paragraph 14 above, since OneChicago seeks to provide Ontario Participants with access in Ontario to trade OneChicago Contracts, OneChicago is considered to be "carrying on business as an exchange in Ontario";

20. OneChicago ensures that all applicants to become OneChicago Participants must satisfy certain criteria, including, among other things: validly organized and in good standing, good reputation, business integrity and adequate financial resources to assume the responsibilities and privileges of being a OneChicago market participant;

21. All OCC Clearing Members holding customer accounts to guarantee the trades of OneChicago Participants under paragraph 11 will be registered or notice-registered as FCMs with the CFTC. Such OCC Clearing Members are subject to the compliance requirements of the CEA, the CFTC, and the National Futures Association as they relate to customer accounts, including various know-your-client, suitability, risk disclosure, anti-money laundering and anti-fraud requirements. These requirements, in conjunction with the margin requirements for OneChicago Contracts applicable to OneChicago Participants, ensure that Ontario Participants seeking to become OneChicago Participants are subjected to appropriate due diligence procedures and fitness criteria. Notice-registered FCMs are subject to the compliance requirements of the SEA, the SEC, and the Financial Industry Regulatory Authority;

22. Based on the facts set out in the Application, OneChicago satisfies the criteria for exemption set out in Appendix 1 of Schedule A to this order;

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

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

AND WHEREAS based on the Application, together with the representations made by and acknowledgements of OneChicago to the Commission, the Commission has determined that:

a. OneChicago satisfies the criteria for exemption set out in Appendix 1 of Schedule A;

b. The granting of the Exchange Relief would not be prejudicial to the public interest; and

c. The granting of the Registration Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that:

a. Pursuant to section 147 of the OSA, OneChicago is exempt from recognition as an exchange under subsection 21(1) of the OSA;

b. Pursuant to section 80 of the CFA, OneChicago is exempt from registration as a commodity futures exchange under subsection 15(1) of the CFA;

c. Pursuant to section 38 of the CFA, trades in OneChicago Contracts by Hedgers who are Ontario Participants are exempt from the registration requirement under section 22 of the CFA; and

d. Pursuant to section 38 of the CFA, trades in OneChicago Contracts by Banks who are Ontario Participants entering orders as principal and only for their own accounts are exempt from the registration requirement under section 22 of the CFA;

PROVIDED THAT

a. OneChicago complies with the terms and conditions attached hereto as Schedule A; and

b. The Bank Relief shall expire on the earliest of:

(i) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;

(ii) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA; and

(iii) five years after the date of this order.

DATED October 14, 2016.

“Edward P. Kerwin”

“Deborah Leckman”

SCHEDULE "A"

TERMS AND CONDITIONS

Meeting Criteria for Exemption

1. OneChicago will continue to meet the criteria for exemption included in Appendix 1 to this schedule.

Regulation and Oversight of OneChicago

2. OneChicago will maintain its registration as a DCM with the CFTC and will continue to be subject to the regulatory oversight of the CFTC.

3. OneChicago will continue to comply with the ongoing requirements applicable to it as a DCM registered with the CFTC.

4. OneChicago must do everything within its control, which would include cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the OSA, as a commodity futures exchange exempted from registration under subsection 15(1) of the CFA, and in compliance with Ontario securities law and Ontario commodity futures law.

Access

5. OneChicago will maintain and operate a Trading System where OneChicago Participants trade on a proprietary or agency basis through an intermediary such as a broker dealer or FCM.

6. OneChicago will not provide direct access to an Ontario Participant unless the Ontario Participant is appropriately registered to trade in OneChicago Contracts is a Hedger, or a Bank; in making this determination, OneChicago may reasonably rely on a written representation from the Ontario Participant that specifies that it is appropriately registered to trade in OneChicago Contracts or that it is a Hedger, or a Bank, and OneChicago will notify such Ontario Participant that this representation is deemed to be repeated each time it enters an order for a OneChicago Contract.

7. Each Ontario Participant that intends to rely on the Hedger Relief will be required to, as part of its application documentation or continued access to trading in OneChicago Contracts:

   (a) represent that it is a Hedger;

   (b) acknowledge that OneChicago deems the Hedger representation to be repeated by the Ontario Participant each time it enters an order for a OneChicago Contract and that the Ontario Participant must be a Hedger for the purposes of each trade resulting from such an order;

   (c) agree to notify OneChicago if it ceases to be a Hedger;

   (d) represent that it will only enter orders for its own account;

   (e) acknowledge that it is a market participant under the CFA and is subject to applicable requirements; and

   (f) acknowledge that its ability to continue to rely on the Hedger Relief in accessing trading on OneChicago will be dependent on the Commission continuing to grant the relief and may be affected by changes to the terms and conditions imposed in connection with the Hedger Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities.

8. Each Ontario Participant that intends to rely on the Bank Relief will be required to, as part of its application documentation or continued access to trading in OneChicago Contracts:

   (a) represent that it will only enter orders as principal and for its own account only;

   (b) represent that it is a Bank;

   (c) acknowledge that the Bank Relief may be affected by changes to the terms and conditions imposed in connection with the Bank Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities; and

(d) represent that it is not engaging in activities prohibited by its governing legislation.

9. OneChicago will require Ontario Participants to notify OneChicago if their applicable registration has been revoked, suspended or amended by the Commission or if they have ceased to be eligible for the Registration Relief and, following notice from the Ontario Participant or the Commission and subject to applicable laws, OneChicago will promptly restrict the Ontario Participant's access to OneChicago if the Ontario Participant is no longer appropriately registered with the Commission, or is no longer eligible for the Registration Relief.

10. OneChicago must make available to Ontario Participants appropriate training for each person who has access to trade in OneChicago Contracts.

Trading by Ontario Participants

11. OneChicago will not provide access to an Ontario Participant to trading in exchange-traded products of an exchange other than those of OneChicago, unless such other exchange has sought and received appropriate regulatory standing in Ontario.

12. OneChicago will not provide access to an Ontario Participant to trading in OneChicago Contracts other than those that meet the definition of "commodity futures contract" or "commodity futures option" as defined in subsection 1(1) of the CFA, and which also fall under paragraph (p) of the definition of "security" in subsection 1(1) of the OSA, without prior Commission approval.

Submission to Jurisdiction and Agent for Service

13. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of OneChicago in Ontario, OneChicago will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

14. OneChicago will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning the Commission's regulation and oversight of OneChicago's activities in Ontario.

Disclosure

15. OneChicago will provide to its Ontario Participants disclosure that states that:

(a) rights and remedies against OneChicago may only be governed by the laws of the U.S., rather than the laws of Ontario, and may be required to be pursued in the U.S. rather than in Ontario; and

(b) the rules applicable to trading on OneChicago may be governed by the laws of the U.S., rather than the laws of Ontario.

Filings with the CFTC

16. OneChicago will promptly provide staff of the Commission copies of all material rules of OneChicago, and material amendments to those rules, that it files with the CFTC under the regulations pertaining to self-certification and/or approval.

17. OneChicago will promptly provide staff of the Commission copies of all material contract specifications and material amended contract specifications that it files with the CFTC and SEC under the regulations pertaining to self-certification and/or approval.

18. OneChicago will promptly provide staff of the Commission the following information to the extent it is required to file such information with the CFTC:

(a) the annual Board of Directors' report regarding the activities of the Board and its committees;

(b) the annual financial statements of OneChicago;

(c) details of any material legal proceeding instituted against OneChicago;

(d) notification that OneChicago has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate OneChicago or has a proceeding for any such petition instituted against it; and

(e) the appointment of a receiver or the making of any voluntary arrangement with creditors.

Prompt Notice or Filing

19. OneChicago will promptly notify staff of the Commission of any of the following:

(a) any material change to its business or operations or the information provided in the Application, including, but not limited to:

(i) changes to the regulatory oversight by the CFTC;

(ii) the corporate governance structure of OneChicago;

(iii) the access model, including eligibility criteria, for Ontario Participants;

(iv) systems and technology; and

(v) the clearing and settlement arrangements for OneChicago;

(b) any change in OneChicago's regulations or the laws, rules and regulations in the U.S. relevant to futures and options where such change may materially affect its ability to meet the criteria set out in Appendix 1 to this schedule;

(c) any condition or change in circumstances whereby OneChicago is unable or anticipates it will not be able to continue to meet the DCM Core Principles or any applicable requirements of the CEA or CFTC regulations;

(d) any revocation or suspension of, or amendment to, OneChicago's registration as a DCM by the CFTC or if the basis on which OneChicago's registration as a DCM was granted has significantly changed;

(e) any known investigations of, or disciplinary action against, OneChicago by the CFTC or any other regulatory authority to which it is subject;

(f) any matter known to OneChicago that may affect its financial or operational viability, including, but not limited to, any significant system failure or interruption; and

(g) any default, insolvency, or bankruptcy of any OneChicago market participant known to OneChicago or its representatives that may have a material, adverse impact upon OneChicago or any Ontario Participant.

20. OneChicago will promptly file with staff of the Commission copies of any Rule Enforcement Review report regarding OneChicago.

Quarterly Reporting

21. OneChicago will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the Commission:

(a) a current list of all Ontario Participants, and, to the extent known by OneChicago, a list of other persons or companies located in Ontario trading as customers of participants (**Other Ontario Users**), specifically identifying for each Ontario Participant or Other Ontario User:

(i) its status as a Clearing Member, Exchange Member, or Access Person of OneChicago, and

(ii) the basis upon which it represented to OneChicago that it could be provided with direct access (i.e., that it is appropriately registered to trade in OneChicago Contracts, or is a Hedger, or is a Bank);

(b) a list of all Ontario Participants against whom disciplinary action has been taken in the last quarter by OneChicago or, to the best of OneChicago's knowledge, by the CFTC with respect to such Ontario Participants' activities on OneChicago;

(c) a list of all referrals to the OneChicago Chief Regulatory Officer by the OneChicago Compliance Department concerning Ontario Participants;

(d) a list of all Ontario applicants for status as an Ontario Participant who were denied such status or access to OneChicago during the quarter;

(e) a list of all new by-laws, rules, and contract specifications, and changes to by laws, rules and contract specifications, not already reported under sections 15 and 16 of this schedule;

(f) a list of all OneChicago Contracts available for trading during the quarter, identifying any additions, deletions or changes since the prior quarter;

(g) for each OneChicago Contract:

(i) the total trading volume and value originating from Ontario Participants, presented on a per Ontario Participant basis, and, to the extent known by the OneChicago, the total trading volume and value originating from Other Ontario Users presented on a per Other Ontario User basis; and

(ii) the proportion of worldwide trading volume and value on OneChicago conducted by Ontario Participants, and, to the extent known by OneChicago, by Other Ontario Users, presented in the aggregate for such Ontario Participants and Other Ontario Users;

(h) a list outlining each incident of a significant system outage that occurred at any time during the quarter for any system impacting Ontario Participants' trading activity, including trading, routing or data, specifically identifying the date, duration and reason for the outage, and noting any corrective action taken.

Annual Reporting

22. OneChicago will arrange to have the annual audited financial statements of OneChicago filed with the Commission promptly after their issuance.

Reporting

23. If an IT Service Auditor's Report (**Report**) is prepared for OneChicago, OneChicago will promptly file with the Commission the Report after the Report is issued as final by its independent auditor.

Information Sharing

24. OneChicago will provide information (including additional periodic reporting) as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

25. If OneChicago trades any security futures with the underlying that is listed on an exchange recognized in Canada, OneChicago will coordinate with the Investment Industry Regulatory Organization of Canada on any issues that involve securities of issuers listed on an exchange recognized in Canada, including trading halts and investigations of trading activity involving these.

APPENDIX 1

CRITERIA FOR EXEMPTION

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

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

1.2 Authority of the Foreign Regulator

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

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

(a) effective oversight of the exchange,

(b) that business and regulatory decisions are in keeping with its public interest mandate,

(c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:

  (i) appropriate representation of independent directors, and

  (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,

(d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest, and

(e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

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

3.2 Product Specifications

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

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange including, but not limited to, margin requirements, intra-day margin calls, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

4.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure

(i) participants are appropriately registered as applicable under Ontario securities laws or Ontario commodity futures laws, or exempted from these requirements,

(ii) the competence, integrity and authority of systems users, and

(iii) systems users are adequately supervised.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

(c) The exchange shall not unreasonably prohibit, condition or limit access by a person or company to services offered by it.

(d) The exchange does not

(i) permit unreasonable discrimination among participants, or

(ii) impose any burden on competition that is not reasonably necessary and appropriate.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

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

PART 6 RULEMAKING

6.1 Purpose of Rules

(a) The exchange has rules, policies and other similar instruments (Rules) that are designed to appropriately govern the operations and activities of participants.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with applicable legislation,

(ii) prevent fraudulent and manipulative acts and practices,

(iii) promote just and equitable principles of trade,

(iv) foster co-operation and co-ordination with persons or companies engaged in regulation, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,

(v) provide a framework for disciplinary and enforcement actions, and

(vi) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

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

(a) parties are given an opportunity to be heard or make representations, and

(b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has appropriate arrangements for the clearing and settlement of transactions through a clearing house.[1]

8.2 Regulation of the Clearing House

The clearing house is subject to acceptable regulation.

8.3 Authority of Regulator

A foreign regulator has the appropriate authority and procedures for oversight of the clearing house. This includes regular, periodic regulatory examinations of the clearing house by the foreign regulator.

8.4 Access to the Clearing House

(a) The clearing house has established appropriate written standards for access to its services.

(b) The access standards for clearing members and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

8.5 Sophistication of Technology of Clearing House

The exchange has assured itself that the information technology used by the clearing house has been adequately reviewed and tested and provides at least the same level of safeguards as required of the exchange.

8.6 Risk Management of Clearing House

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

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

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

(a) order entry,

(b) order routing,

(c) execution,

(d) trade reporting,

(e) trade comparison,

(f) data feeds,

(g) market surveillance,

(h) trade clearing, and

(i) financial reporting.

[1] For the purposes of these criteria, "clearing house" also means "clearing agency."

9.2 System Capability/Scalability

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

(a) makes reasonable current and future capacity estimates;

(b) conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

(c) reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

(d) ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;

(e) ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;

(f) maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

(g) maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

PART 10 FINANCIAL VIABILITY AND REPORTING

10.1 Financial Viability

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

PART 11 TRANSPARENCY

11.1 Transparency

The exchange has adequate arrangements to record and publish accurate and timely trade and order information. This information is provided to all participants on an equitable basis.

PART 12 RECORD KEEPING

12.1 Record Keeping

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

PART 13 OUTSOURCING

13.1 Outsourcing

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

PART 14 FEES

14.1 Fees

(a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.

(b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 15 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

15.1 Information Sharing and Regulatory Cooperation

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

15.2 Oversight Arrangements

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

PART 16 IOSCO PRINCIPLES

16.1 IOSCO Principles

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

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 The Falls Capital Corp. et al. – s. 127(1)

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

AND

IN THE MATTER OF
THE FALLS CAPITAL CORP.,
DEERCREST CONSTRUCTION FUND INC.,
WEST KARMA LTD. and
RODNEY JACK WHARRAM

REASONS AND DECISION
(Subsection 127(1) of the Securities Act)

Hearing:	In writing		
Decision:	October 17, 2016		
Panel:	Timothy Moseley	–	Commissioner
Submissions by:	Keir D. Wilmut	–	For Staff of the Commission

TABLE OF CONTENTS

REASONS AND DECISION

I. OVERVIEW

[1] In a decision issued by the British Columbia Securities Commission (the "**BCSC**") on February 11, 2015 (the "**BCSC Merits Decision**"),[1] the BCSC found that The Falls Capital Corp., Deercrest Construction Fund Inc., West Karma Ltd. and Rodney Jack Wharram perpetrated a fraud in contravention of section 57(b) of British Columbia's Securities Act (the "**BC Act**").[2] The BCSC further found that Wharram had made false statements to BCSC investigators in contravention of section 168.1(1)(a) of the BC Act.

[2] On November 25, 2015, the BCSC issued a decision (the "**BCSC Sanctions Decision**")[3] in which it imposed various sanctions against the respondents. The sanctions, more particularly described below, essentially removed the respondents from British Columbia's capital markets permanently. The BCSC also ordered that Wharram pay an administrative penalty and that all respondents disgorge funds that had been illegally obtained.

[3] In this proceeding, Enforcement staff ("**Staff**") of the Ontario Securities Commission (the "**Commission**") seeks an order pursuant to subsection 127(1) of the Ontario *Securities Act* (the "**Act**")[4] that mirrors most of the terms of the BCSC Sanctions Decision. Staff relies upon paragraph 4 of subsection 127(10) of the Act, which provides that this Commission may make an order against a person under subsection 127(1) if that person is subject to an order, made by a securities regulatory authority in another jurisdiction, that imposes sanctions on the person.

[4] For the reasons that follow, I find that it is in the public interest to issue the order requested by Staff.

II. THE BCSC PROCEEDING

[5] In the BCSC Merits Decision, the BCSC found, among other things, that:

a. Wharram was the President, a director, and the directing mind of each of the three corporate respondents (*i.e.*, The Falls Capital Corp., Deercrest Construction Fund Inc., and West Karma Ltd.);[5]

b. the respondents, none of whom had ever been registered in any capacity under the BC Act,[6] raised funds from investors, primarily for the purpose of the development of recreational property in British Columbia;[7]

c. Wharram fraudulently used more than $500,000 of the raised funds for personal purposes, including a ring for his wife, the purchase of a home, and investment by his wife in a grocery store;[8]

d. the investors lost all the money Wharram used for personal purposes;[9] and

e. Wharram lied under oath to BCSC investigators.[10]

[6] In considering sanctions, the BCSC concluded that:

a. the respondents' conduct was "an egregious form of fraud";[11]

b. investors suffered significant losses, losing all or substantially all of their investments;[12]

c. evidence from a number of investors suggested that the financial impact of their losses was "catastrophic";[13]

d. there were no mitigating factors;[14] and

---

1 *Re The Falls Capital Corp.*, 2015 BCSECCOM 59. The BCSC issued a second decision shortly afterwards (*Re The Falls Capital Corp.*, 2015 BCSECCOM 74), in which it restated some findings made in the BCSC Merits Decision. The restatement is inconsequential for the purposes of this proceeding.
2 RSBC 1996, c 418.
3 *Re The Falls Capital Corp.*, 2015 BCSECCOM 422.
4 RSO 1990, c S.5.
5 BCSC Merits Decision at para 7.
6 BCSC Merits Decision at paras 5, 6.
7 BCSC Merits Decision at paras 9, 10, 26, 32.
8 BCSC Merits Decision at paras 22, 39, 42, 115, 121, 122, 124, 128, 132, 142.
9 BCSC Merits Decision at para 134.
10 BCSC Merits Decision at para 150; BCSC Sanctions Decision at para 28.
11 BCSC Sanctions Decision at para 27.
12 BCSC Sanctions Decision at paras 31, 35.
13 BCSC Sanctions Decision at para 32.

e. Wharram "represents a significant future risk to our capital markets".[15]

[7] As a result, the BCSC ordered that:

a. Wharram pay an administrative penalty of $500,000;

b. Wharram resign any position he held as a director or officer of any issuer, registrant or investment fund manager, and be prohibited permanently from becoming or acting as any of those;

c. the respondents be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

d. Wharram be prohibited permanently from acting in a management or consultative capacity in connection with activities in the securities market;

e. the respondents be prohibited permanently from engaging in investor relations activities;

f. the respondents be prohibited permanently from trading in or purchasing any securities or exchange contracts;

g. trading in, or the purchase of, securities of the corporate respondents be prohibited permanently; and

h. the respondents disgorge to the BCSC the $517,500 obtained as a result of their misconduct.[16]

III. PRELIMINARY MATTERS

A. Notice to the respondents

[8] The Notice of Hearing issued to commence this proceeding specified that the hearing would take place on August 29, 2016.

[9] At the hearing before me on that date, the respondents did not appear. Staff tendered an affidavit of Lee Crann, sworn August 22, 2016,[17] which described steps taken to serve the respondents with the Notice of Hearing, the Statement of Allegations, and disclosure.

[10] Subsection 7(1) of the *Statutory Powers Procedure Act* (the "**SPPA**")[18] provides that where notice of a hearing has been given to a party, but the party fails to attend, the tribunal may proceed in the absence of the party and the party is not entitled to further notice in the proceeding.

[11] I find that the respondents were given notice of this proceeding and that I may proceed in their absence.

B. Written Hearing

[12] The Notice of Hearing indicated that Staff would apply to continue this proceeding by way of written hearing, as provided for in section 5.1 of the SPPA and Rule 11.5 of the Ontario Securities Commission *Rules of Procedure*.[19]

[13] At the August 29 hearing, I granted Staff's application to proceed in writing. I ordered that Staff serve and file its materials by September 8, 2016, and that the respondents serve and file any responding materials by October 6, 2016.

[14] Staff served and filed a hearing brief containing the BCSC decisions along with written submissions and a brief of authorities. No materials were filed by the respondents.

IV. ISSUES

[15] As noted above, subsection 127(10) of the Act provides that the Commission may make an order against a person or company under subsection 127(1) if that person or company is subject to an order, made by a securities regulatory authority in another jurisdiction, that imposes sanctions.

---

14 BCSC Sanctions Decision at para 44.
15 BCSC Sanctions Decision at para 57.
16 BCSC Sanctions Decision at para 74.
17 Exhibit 1 in this proceeding.
18 RSO 1990, c S.22.
19 (2014), 37 OSCB 4168.

[16] Staff's application for an order pursuant to subsection 127(1), made in reliance upon subsection 127(10), therefore presents two principal issues:

a. Were the respondents subject to an order made by a securities regulatory authority in another jurisdiction?

b. If so, what sanctions, if any, should the Commission order against them?

V. ANALYSIS

A. Were the respondents subject to an order made by a securities regulatory authority in another jurisdiction?

[17] The BCSC Sanctions Decision is an order of a securities regulatory authority in another jurisdiction. It imposes sanctions on the respondents.

[18] The BCSC Sanctions Decision therefore meets the test prescribed by subsection 127(10) of the Act, and the Commission may make an order under subsection 127(1) if it is in the public interest to do so.[20]

B. If so, what sanctions, if any, should the Commission order against the respondents?

1. Introduction

[19] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1). The Commission must still consider whether it is in the public interest, in the context of the Ontario capital markets, to make an order under subsection 127(1), and if so, what the order ought to be.[21]

2. Inter-jurisdictional co-operation

[20] In determining whether it would be in the public interest to make an order pursuant to section 127 of the Act, I am guided by section 2.1 of the Act, which provides:

> In pursuing the purposes of this Act, the Commission shall have regard to the following fundamental principles:
>
> […]
>
> 3. Effective and responsive securities regulation requires timely, open and efficient administration and enforcement of [the] Act by the Commission.
>
> […]
>
> 5. The integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.

[21] By explicitly referring to orders made by securities regulatory authorities in other jurisdictions, subsection 127(10) of the Act clearly promotes these legislative objectives. This is also well recognized in decisions of the Supreme Court of Canada[22] and of the Commission.[23]

[22] As the Commission has previously held, "[t]he decision of a foreign jurisdiction stands as a determination of fact for the purpose of the Commission's considerations under subsection 127(10) of the Act."[24]

[23] In this case, the findings of the BCSC with respect to the respondents' conduct are compelling reasons to conclude that it is in the public interest to restrict the respondents' participation in Ontario's capital markets. The misconduct for which the respondents were sanctioned would likely have constituted similar contraventions of Ontario securities law.

---

20 *Re Euston Capital Corp* (2009), 32 OSCB 6313 at para 46.
21 *Re Elliott* (2009), 32 OSCB 6931 at para 27.
22 See, e.g., *McLean v British Columbia (Securities Commission)*, 2013 SCC 67 at para 51.
23 *Re JV Raleigh Superior Holdings Inc.* (2013), 36 OSCB 4639 ("***JV Raleigh***") at paras 21-26; *New Futures Trading International Corp. (Re)* (2013), 36 OSCB 5713 at paras 22-27.
24 *JV Raleigh* at para 16.

[24] There is no evidence to suggest that any of the affected investors reside in Ontario. However, as this Commission has previously found, a nexus to Ontario is not required when considering the imposition of an inter-jurisdictional order.[25] Staff submits that it is in the public interest to protect Ontario investors from the respondents by preventing or limiting their participation in Ontario's capital markets. I accept that submission.

[25] In addition, as the Supreme Court of Canada has held, it is appropriate to consider general deterrence in making an order under subsection 127(1).[26] An order in this proceeding would have a deterrent effect upon those who might engage in similar conduct in Ontario.

[26] For all of these reasons, I find that it is in the public interest to make an order against the respondents pursuant to section 127(1) of the Act.

3. Appropriate sanctions

[27] The purpose of section 127 of the Act, and the principles that "animate" its application, were reviewed by the Supreme Court of Canada in *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*.[27] The Court held that in considering an order in the public interest, it is important to keep in mind both of the two purposes of the Act, as set out in section 1.1 of the Act:[28]

a. to provide protection to investors from unfair, improper or fraudulent practices; and

b. to foster fair and efficient capital markets and confidence in capital markets.

[28] The Court then described the purpose of the section 127 public interest jurisdiction as being "neither remedial nor punitive; it is protective and preventive, intended to be exercised to prevent likely future harm to Ontario's capital markets".[29] Further, the Court held that the purpose of section 127 orders is to:

> … restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.[30]

[29] In this case, Staff asks the Commission to order sanctions substantially similar to those imposed by the BCSC. Specifically, Staff requests that the Commission order that:

a. trading in any securities of the corporate respondents cease permanently;

b. the respondents be prohibited permanently from trading in any securities or derivatives and from acquiring any securities;

c. Wharram resign any positions he holds as director or officer of any issuer, registrant or investment fund manager;

d. Wharram be prohibited permanently from becoming or acting as a director or officer of an issuer, registrant or investment fund manager; and

e. the respondents be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter.

[30] The respondents' misconduct was serious. As the BCSC found, the respondents defrauded investors by diverting significant funds to Wharram's personal use. Investors suffered significant and sometimes catastrophic losses. Further, Wharram lied under oath to BCSC investigators.

[31] Had the respondents' misconduct occurred in Ontario, it would likely have attracted consequences similar to those ordered by the BCSC.

---

25 *Re Zeiben* (2016), 39 OSCB 1299 at para 24; *Re Sebastian* (2016), 39 OSCB 1305 at para 19; *Re Dowlati* (2016), 39 OSCB 5081 at para 25.

26 *Re Cartaway Resources Corp.*, 2004 SCC 26 at para 60.

27 2001 SCC 37 ("***Asbestos***").

28 *Asbestos* at para 41.

29 *Asbestos* at para 42, adopting the words of Laskin J.A. from the court below.

30 *Asbestos* at para 43, citing with approval *Re Mithras Management Ltd.* (1990), 13 OSCB 1600.

[32] Appropriately, Staff does not seek an order in Ontario that would require the payment of an additional administrative penalty or the further disgorgement of funds. The order sought would restrict the respondents' access to and participation in Ontario's capital markets.

[33] In my view, the order requested by Staff is proportionate to the misconduct as found by the BCSC, would serve to protect Ontario's investors and capital markets, would further the objective of inter-jurisdictional co-operation, and would have an appropriate general deterrence effect in Ontario.

VI. CONCLUSION

[34] For the reasons set out above, I find that it is in the public interest to impose the sanctions requested by Staff. I will therefore order that:

a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of the corporate respondents cease permanently;

b. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities by the respondents be prohibited permanently;

c. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Wharram resign any positions that he holds as director or officer of any issuer, registrant or investment fund manager;

d. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Wharram be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and

e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the respondents be prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter.

Dated at Toronto this 17th day of October, 2016.

"Timothy Moseley"

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

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
NioCorp Developments Ltd.	03 October 2016	14 October 2016		17 October 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		17 October 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:
Alterra Power Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated October 12, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
C$35,004,000.00 – 5,834,000 Common Shares
Price: C$6.00 Per Common Share
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
RBC DOMINION SECURITIES INC.
Promoter(s):
-
Project #2539575

Issuer Name:
BNK Petroleum Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated October 13, 2016
NP 11-202 Receipt dated October 13, 2016
Offering Price and Description:
$11,000,000.00 – 55,000,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Haywood Securities Inc.
Promoter(s):
-
Project #2541304

Issuer Name:
Brio Gold Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated October 17, 2016
NP 11-202 Receipt dated October 17, 2016
Offering Price and Description:
C$ * – * Outstanding Common Shares Transferable Upon Exercise of * Brio Gold Purchase Rights Distributed by Yamana Gold Inc.; and Up to 1,000,000 Outstanding Common Shares
Price: Exercise Price of C$ * per Common Share (On exercise of one whole Purchase Right per Common Share)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
Promoter(s):
Yamana Gold Inc.
Project #2541783

Issuer Name:
CARDS II Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated October 14, 2016
NP 11-202 Receipt dated October 14, 2016
Offering Price and Description:
Up to $11,000,000,000.00 Credit Card Receivables Backed Notes
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
Canadian Imperial Bank of Commerce
Project #2541385

Issuer Name:
NUVISTA ENERGY LTD.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated October 14, 2016
NP 11-202 Receipt dated October 14, 2016
Offering Price and Description:
$90,009,000.00 – 13,140,000 Common Shares
Price $6.85 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Peters & Co. Limited
CIBC World Markets Inc.
Scotia Capital Inc.
GMP Securities L.P.
TD Securities Inc.
BMO Nesbitt Burns Inc.
AltaCorp Capital Inc.
Cormark Securities Inc.
Credit Suisse Securities (Canada), Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2540586

Issuer Name:
Spectra7 Microsystems Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated October 11, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
$6,700,000.00 – 19,705,883 Common Shares
Price: $0.34 per Common Share
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
DUNDEE SECURITIES LTD.
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #2539628

Issuer Name:
Avnel Gold Mining Limited
Principal Regulator – Ontario
Type and Date:
Final Base Shelf Prospectus dated October 7, 2016
NP 11-202 Receipt dated October 11, 2016
Offering Price and Description:
$325,000,000.00
Debt Securities (unsecured)
Ordinary Shares
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2506443

Issuer Name:
Cambridge American Equity Fund (Class A, E, EF, F, I and O units)
Cambridge Canadian Growth Companies Fund (Class A, AT6, E, EF, F, and O units)
CI Global Corporate Class (A, AT5, AT8, E, ET5, ET8, EF, EFT5, EFT8, F, FT8, I, IT8, O, OT5 and
OT8 shares)
CI Global Fund (Class A, E, EF, F, I, O and Insight units)
CI Short-Term Advantage Corporate Class (A, AT8, E, F, I, IT8 and O shares)
CI Short-Term Corporate Class (A, E, EF, F, I and O shares)
Signature Diversified Yield Fund (Class A, E, F, I and O units)
Signature Select Global Corporate Class (A, AT5, AT8, E, ET5, ET8, EF, EFT5, EFT8, F, FT8, I,
IT8, O, OT5 and OT8 shares)
Signature Select Global Fund (Class A, E, EF, F, I and O units)
Principal Regulator – Ontario
Type and Date:
Amendment #2 dated September 30, 2016 to the Simplified Prospectuses and Annual Information Form dated July 27, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #2494270

Issuer Name:
RBC O'Shaughnessy Global Equity Fund
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated September 19, 2016 to the Simplified Prospectuses and Annual Information Form dated June 30, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
Series A and Advisor Series units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Royal Mutual Funds Inc.
Royal Mutual Funds Inc./RBC Direct Investing Inc.
RBC Global Asset Management Inc.
Royal Mutual Funds Inc.
The Royal Trust Company
RBC Dominion Securities Inc.
Promoter(s):
RBC Global Asset Management Inc.
Project #2486611

Issuer Name:
Brand Leaders Plus Income ETF
(Class A and Class U Units)
Healthcare Leaders Income ETF
(Class A Units)
US Buyback Leaders ETF
(Class A and Class U Units)
Energy Leaders Plus Income ETF
(Class A and Class U Units)
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated October 14, 2016
NP 11-202 Receipt dated October 17, 2016
Offering Price and Description:
Class A and Class U Units @ Net Asset Value
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:
Final Base Shelf Prospectus dated October 7, 2016
NP 11-202 Receipt dated October 11, 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, a Delaware corporation
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2538011

Issuer Name:
Counsel Short Term Fixed Income Class* (Series A, D, and E securities)
Counsel U.S. Value Class* (Series A, D, and E securities)
Counsel U.S. Growth Class* (Series A, D, and E securities)
Counsel International Value Class* (Series A, D, and E securities)
Counsel International Growth Class* (Series A, D, and E securities)
Counsel Global Small Cap Class* (Series A, D, and E securities)
* A class of Counsel Portfolio Corporation
Principal Regulator – Ontario
Type and Date:
Amendment #3 dated September 28, 2016 to the Simplified Prospectuses and Annual Information Form dated October 29, 2015
NP 11-202 Receipt dated October 13, 2016
Offering Price and Description:
Series A, D, and E securities
Underwriter(s) or Distributor(s):
none
Promoter(s):
Counsel Portfolio Services Inc.
Project #2397770

Issuer Name:
iShares International Fundamental Index ETF
iShares Japan Fundamental Index ETF (CAD-Hedged)
iShares US Fundamental Index ETF
iShares Emerging Markets Fundamental Index ETF
iShares Canadian Fundamental Index ETF
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated September 21, 2016 to the Long Form Prospectus dated June 3, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BlackRock Asset Management Canada Limited
Promoter(s):
-
Project #2475019

Issuer Name:
Lateral Gold Corp.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated October 14, 2016
NP 11-202 Receipt dated October 14, 2016
Offering Price and Description:
$5,000,000.00 – 5,000,000 Subscription Receipts (as defined herein) at a price of $1.00 per Subscription Receipt, each representing the right to receive one Underlying Share (as defined herein)
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Echelon Wealth Partners Inc.
Promoter(s):
-
Project #2534112

Issuer Name:
Legacy Education Savings Plan
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated October 6, 2016 to the Long Form Prospectus dated January 27, 2016
NP 11-202 Receipt dated October 11, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Global RESP Corporation
Promoter(s):
Global Educational Trust Foundation
Project #2414660

Issuer Name:
NEI Generational Leaders Fund
NEI Global Value Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated October 7, 2016
NP 11-202 Receipt dated October 11, 2016
Offering Price and Description:
Series A, F, I, P and PF units @ net asset value
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments L.P.
Project #2528835

Issuer Name:
Platinum Group Metals Ltd.
Principal Regulator – British Columbia
Type and Date:
Final Base Shelf Prospectus dated October 14, 2016
NP 11-202 Receipt dated October 14, 2016
Offering Price and Description:
US$250,000,000
Common Shares
Debt Securities
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2539540

Issuer Name:
Pro Real Estate Investment Trust
Principal Regulator – Quebec
Type and Date:
Final Short Form Prospectus dated October 12, 2016
NP 11-202 Receipt dated October 12, 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:
Sprott Global Infrastructure Fund
(Series A, Series F and Series I)
Sprott Real Asset Class*
(Series A, Series F and Series I)
Sprott Global REIT & Property Equity Fund
(Series A, Series F and Series I)
(*A class of shares of Sprott Corporate Class Inc.)
Principal Regulator – Ontario
Type and Date:
Amendment #1 dated September 14, 2016 to the Simplified Prospectuses and Annual Information Form dated June 28, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sprott Asset Management LP
Project #2490444

Issuer Name:
Starlight U.S. Multi-Family (No. 5) Core Fund
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated October 12, 2016
NP 11-202 Receipt dated October 12, 2016
Offering Price and Description:
US$200,000,000.00 – Class A Units and/or Class U Units and/or Class D Units and/or Class E Units and/or Class F Units and/or Class H Units and/or Class C Units
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
GMP SECURITIES L.P.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
Promoter(s):
STARLIGHT INVESTMENTS LTD.
Project #2531539

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	MacDougall, MacDougall & MacTier Inc. and Raymond James Ltd. To form: Raymond James Ltd.	Investment Dealer	October 11, 2016
New Registration	eQuaTe Asset Management Inc.	Portfolio Manager,Investment Fund Manager and Exempt Market Dealer	October 11, 2016
Name Change	From: JDM Investment Partners Ltd. To: Investment Partners Fund Inc.	Portfolio Manager, Investment Fund Manager, Exempt Market Dealer and Commodity Trading Manager	September 16, 2016
New Registration	Blue Wave Investments Inc.	Commodity Trading Manager	October 13, 2016

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Liquidnet Canada Inc. – Notice of Completion of Review of Significant Changes to Form 21-101F2

LIQUIDNET CANADA INC.

NOTICE OF COMPLETION OF REVIEW OF SIGNIFICANT CHANGES TO FORM 21-101F2

Liquidnet Canada Inc. (Liquidnet) filed proposed amendments to Form 21-101F2 (the Proposed Amendments) related to a proposal that would provide Liquidnet's Canadian institutional clients with access to targeted invitation functionality for the trading of non-Canadian fixed income securities on the fixed income trading platforms of Liquidnet, Inc. and Liquidnet Europe Limited.

The Proposed Amendments were published for comment on August 18, 2016 in accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto* (the ATS Protocol). No comments were received.

The OSC has approved the Proposed Amendments pursuant to section 8 of the ATS Protocol. The Proposed Amendments will be effective immediately.

13.2.2 OneChicago, LLC – Application for Exemptive Relief – Notice of Commission Order

IN THE MATTER OF ONECHICAGO, LLC (the "Applicant")

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On October 14, 2016, the Commission issued an order (Order) (i) pursuant to section 147 of the *Securities Act* (Ontario) (OSA) exempting the Applicant from the requirement to be recognized as an exchange under section 21 of the OSA; (ii) pursuant to section 80 of the *Commodity Futures Act* (Ontario) (CFA) exempting the Applicant from the requirement to be registered as a commodity futures exchange under section 15 of the CFA; and (iii) pursuant to section 38 of the CFA exempting trades in contracts on the Applicant by hedgers, and by banks listed in Schedule 1 of the *Bank Act* (Canada) entering orders as principal and only for their own accounts, from the registration requirement under section 22 of the CFA.

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

The Commission published the Applicant's application and draft exemption order for comment on August 18, 2016 on the OSC website at www.osc.gov.on.ca and provided notice of the application and order in the OSC Bulletin.[1] No comments were received and no changes were made to the draft exemption order.

[1] (2016), 39 OSCB 7403

13.3 Clearing Agencies

13.3.1 CDS – Material Amendments to CDS Participant Rules relating to Automatic and Discretionary Suspension – OSC Staff Notice of Request for Comment

OSC STAFF NOTICE OF REQUEST FOR COMMENT

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS PARTICIPANT RULES

AUTOMATIC AND DISCRETIONARY SUSPENSION

The Ontario Securities Commission is publishing for 30 day public comment material amendments to the CDS Participant Rules relating to Automatic and Discretionary Suspension. The proposed rule amendments remove the Automatic Suspension rule, amend the Discretionary Suspension rule to include additional criteria for consideration, and insert a provision under the Discretionary Suspension rule to facilitate the continued access to CDS services by CDS Participants who are Canada Deposit Insurance Corporation members or subsidiaries of member institutions, and who are subject to resolution under the *Canada Deposit Insurance Act*.

The comment period ends on November 19, 2016.

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

This page intentionally left blank

Index