

The Ontario Securities Commission

OSC Bulletin

November 24, 2016

Volume 39, Issue 47

(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:

Office of the Secretary:

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

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

Fax: 416-593-2318



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 *SecuritiesSource*[™], 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.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2016 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.



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

<p>Chapter 1 Notices / News Releases 9539</p> <p>1.1 Notices 9539</p> <p>1.1.1 OSC Staff Notice 52-723 – Office of the Chief Accountant Financial Reporting Bulletin..... 9539</p> <p>1.2 Notices of Hearing..... (nil)</p> <p>1.3 Notices of Hearing with Related Statements of Allegations (nil)</p> <p>1.4 News Releases (nil)</p> <p>1.5 Notices from the Office of the Secretary 9540</p> <p>1.5.1 Optam Holdings Inc. et al. 9540</p> <p>1.5.2 Lance Kotton and Titan Equity Group Ltd..... 9540</p> <p>1.5.3 New Solutions Capital Inc. et al. 9541</p> <p>1.6 Notices from the Office of the Secretary with Related Statements of Allegations (nil)</p> <p>Chapter 2 Decisions, Orders and Rulings 9543</p> <p>2.1 Decisions 9543</p> <p>2.1.1 VersaBank..... 9543</p> <p>2.1.2 Aralez Pharmaceuticals Inc. 9548</p> <p>2.1.3 Sun Life Global Investments (Canada) Inc..... 9553</p> <p>2.1.4 Avenir Limited..... 9557</p> <p>2.1.5 Barclays Capital Inc. and Barclays Capital Securities Limited 9560</p> <p>2.1.6 Convergence Blended Finance, Inc. 9563</p> <p>2.1.7 ECN Capital Corp. 9569</p> <p>2.2 Orders..... 9575</p> <p>2.2.1 Optam Holdings Inc. et al. 9575</p> <p>2.2.2 Transition Therapeutics Inc. – s. 1(6) of the OBCA 9576</p> <p>2.2.3 Migao Corporation – s. 1(6) of the OBCA 9577</p> <p>2.2.4 Lance Kotton and Titan Equity Group Ltd. – ss. 127(7), 127(8) 9578</p> <p>2.2.5 Ford Floorplan Auto Securitization Trust 9579</p> <p>2.2.6 Williams Creek Gold Ltd. 9580</p> <p>2.2.7 New Solutions Capital Inc. et al. – s. 17(1) 9581</p> <p>2.3 Orders with Related Settlement Agreements..... (nil)</p> <p>2.4 Rulings 9582</p> <p>2.4.1 R.J. O'Brien & Associates, LLC – s. 38 of the CFA 9582</p> <p>2.4.2 HSBC Securities (USA) Inc. – s. 38 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options 9592</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>3.1 OSC Decisions..... (nil)</p> <p>3.2 Director's Decisions..... (nil)</p> <p>3.3 Court Decisions (nil)</p>	<p>Chapter 4 Cease Trading Orders 9603</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders..... 9603</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 9603</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 9603</p> <p>Chapter 5 Rules and Policies (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 9605</p> <p>Chapter 9 Legislation..... (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings..... 9679</p> <p>Chapter 12 Registrations..... 9689</p> <p>12.1.1 Registrants..... 9689</p> <p>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories (nil)</p> <p>13.1 SROs (nil)</p> <p>13.2 Marketplaces (nil)</p> <p>13.3 Clearing Agencies (nil)</p> <p>13.4 Trade Repositories (nil)</p> <p>Chapter 25 Other Information (nil)</p> <p>Index..... 9691</p>
---	--

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 OSC Staff Notice 52-723 – Office of the Chief Accountant Financial Reporting Bulletin

OSC Staff Notice 52-723 – *Office of the Chief Accountant Financial Reporting Bulletin* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.



OSC Staff Notice 52-723

Office of the Chief Accountant

Financial Reporting Bulletin

November 2016

OSC

ONTARIO
SECURITIES
COMMISSION

Table of Contents

Introduction.....	2
Executive Summary.....	2
Disclosure Effectiveness	4
Going Concern	5
Non-GAAP Financial Measures	7
Fair Value Measurements	8
Considerations for Implementation of IFRS 9, IFRS 15, and IFRS 16	14



Introduction

The Office of the Chief Accountant (OCA) of the Ontario Securities Commission (OSC) is publishing this bulletin to highlight observations about various financial reporting topics relevant to reporting issuers that prepare financial statements in accordance with International Financial Reporting Standards (IFRS). The objective of this bulletin is to provide useful information to market participants that may assist in preparing future financial reports.



Executive Summary

Staff of the OCA (we or Staff) want to:

- communicate considerations for disclosure effectiveness
- share our observations on recent areas of focus
- highlight our expectations for implementation of several new accounting standards.

Considerations for disclosure effectiveness

When disclosing financial information, we encourage reporting issuers to:

- take a “fresh look” at their financial statement disclosures, and consider how information could be more effectively and efficiently presented
- consider financial reports as communication documents as opposed to a “compliance exercise”.

A reporting issuer’s management, audit committee, and external auditor each has an important role to play in contributing to disclosure effectiveness.

Recent areas of focus

Our observations in the area of **going concern** are as follows:

- quality of disclosures required by IAS 1 *Presentation of Financial Statements* (IAS 1) varied, with some reporting issuers providing generic and boilerplate information about the material uncertainties that cast significant doubt on the entity’s ability to continue as a going concern
- instances of inadequate disclosures with respect to the significant judgements made in concluding that there are no material uncertainties.

An ongoing area of focus continues to be **non-GAAP financial measures**, including application of [CSA Staff Notice 52-306 \(Revised\) Non-GAAP Financial Measures](#) (CSA SN 52-306). Recent observations in this area include:

- inappropriate prominence of disclosure given to non-GAAP financial measures related to earnings when compared to the prominence of earnings measures specified, defined, or determined under a reporting issuer's GAAP
- numerous non-GAAP financial measures presented in the same disclosure document, increasing the potential for investors to be confused and/or material information to be obscured
- non-GAAP financial measures, particularly those presented in press releases, not reconciled to the most comparable GAAP measure.

Our observations in the area of **fair value measurement** are as follows:

- most disclosures required by IFRS 13 *Fair Value Measurement* (IFRS 13) were appropriately provided by the reporting issuers examined; however, the quality of disclosures varied, with some reporting issuers providing less entity specific information than others
- opportunities for improvement exist with certain disclosures pertaining to fair value measurements categorized within level 3 of the fair value hierarchy
- instances where the disclosures for instruments categorized within level 2 of the fair value hierarchy did not provide enough detail about the specific observable inputs.

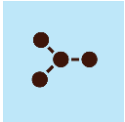
Expectations for implementation of several new accounting standards

Several new accounting standards have been issued by the International Accounting Standard Board (IASB) that may significantly affect the financial statements of many reporting issuers, specifically IFRS 9 *Financial Instruments* (IFRS 9), IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), and IFRS 16 *Leases* (IFRS 16).

Generally, we expect that:

- reporting issuers have begun or will soon commence the work necessary to implement the new accounting standards
- audit committees be actively engaged in oversight of the implementation processes relating to the new accounting standards
- auditors consider their role in evaluating the reporting issuer's compliance with disclosure requirements relating to the future impact of the new accounting standards
- reporting issuers provide increasingly detailed disclosure about the expected effects of the new accounting standards as they make progress in their implementation efforts and the effective dates approach.

We intend to monitor the quality and extent of disclosure in financial reports leading up to the adoption of the new accounting standards, and may raise questions with reporting issuers if there is an inadequate level of transparency in this area.



Disclosure Effectiveness

In December 2014, the IASB issued amendments to IAS 1 that include the following clarifications:

- an entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information
- an entity does not need to provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and conversely, an entity should provide additional disclosure if compliance with the specific IFRS disclosure requirements is insufficient
- an entity should present notes in a systematic manner, taking into consideration the effect on the understandability and comparability of its financial statements.

These amendments were effective for annual periods beginning on or after January 1, 2016.

Securities regulators often hear concerns from both the investor community as well as preparers about “disclosure overload” and the large amount of information provided in financial statements and annual reports that have made it difficult to distinguish what is relevant and important. This can result in boilerplate immaterial information that provides little value, “clutters” the financial statements and imposes additional costs on reporting issuers in the time and resources spent on preparing the information.

The IAS 1 amendments are a useful step forward in addressing this “disclosure overload”. The amendments underscore the point about not requiring immaterial disclosures, which is consistent with the regulatory approach towards materiality and the “regulatory lens” we look through when examining financial statements. Both IFRS and securities regulations refer to principles of materiality. When effectively applied, the materiality concept should result in more concise, effective and relevant information provided to investors.

Consider and assess:

- Are the financial reports providing insights into the business?
- Is the information clear and concise?
- Is the information entity-specific?
- Is information carried forward from prior year financial reports still relevant and necessary for compliance with IFRS?
- Is relevant information being obscured by a large amount of irrelevant and immaterial information?

When preparing financial information, Staff encourage reporting issuers to take a “fresh look” at their financial statement disclosures, and consider how information could be more effectively and efficiently presented. Reporting issuers should consider their financial reports as important communication documents as opposed to a “compliance exercise”.

A reporting issuer’s management, audit committee, and external auditor each has an important role to play in contributing to the objective of providing investors with clear and concise information about the financial affairs of the entity.

We encourage readers to assess all content in this bulletin against the above considerations.



Going Concern

As previously communicated in our [OSC Staff Notice 52-720 Financial Reporting Bulletin February 2012](#), going concern disclosures are important to investors as they provide warnings about significant risks that the reporting issuer is facing. This continues to be an important area in the current economic environment, and has resulted in continued regulatory scrutiny on disclosures surrounding material uncertainties that may affect the going concern assessment of an entity.

IAS 1.25 notes that “when management is aware, in making its assessment [of the entity’s ability to continue as a going concern] of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern, the entity shall disclose those uncertainties”.

The IFRS Interpretation Committee (IFRIC) clarified in its [July 2014 IFRIC Agenda Decision](#) that if management considers events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern, but concludes, after considering all relevant information, including the feasibility and effectiveness of any planned mitigation that there is no going concern uncertainty, disclosure should nonetheless be provided, in circumstances where that conclusion was a “close call”, under the requirements in IAS 1.122 about significant judgements.

As a result of this IFRIC Agenda Decision, Staff have been examining financial statements from reporting issuers in various industries (e.g., merchandising, junior natural resource, oil & gas, real estate, technology, consumer products, etc.) to understand the extent of disclosure provided with respect to going concern.

Going concern disclosures in accordance with IAS 1.25

Staff noted that amongst reporting issuers that disclosed material uncertainties that cast significant doubt on the entity’s ability to continue as a going concern in accordance with IAS 1.25, the level of disclosures varied. Examples of good disclosures included detailed information about the uncertainties relating to operations, funding, cash flows and how

each is mitigated. Staff also noted examples of poor disclosures that provided boilerplate information about the material uncertainties that cast significant doubt on the entity's ability to continue as a going concern. Such disclosures also provided limited information about management's plans to mitigate any material uncertainties.

Example: Description of material uncertainties that did not meet Staff's expectation

Problem:

- Non-specific

The Company has incurred significant losses and at December 31, 2015, had an accumulated deficit of \$xx million, and a working capital deficiency of \$xx million. The Company has insufficient working capital to fund its ongoing operating costs. The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds, and/or raise equity to meet current and future obligations.

Example: Improved description of material uncertainties

Improvements:

- Greater specificity about the material uncertainties
- Discusses management's plans to mitigate the material uncertainties

During the year ended December 31, 2015, the Company had a net loss of \$xx million, negative cash flow from operation of \$xx million, and a negative working capital of \$xx million. The Company currently has insufficient cash to fund its operations for the next 12 months. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In assessing whether the going concern assumption was appropriate, management took into account all relevant information available about the future, which was at least, but not limited to, the twelve month period following December 31, 2015. The Company and a special committee of the board is currently implementing various financing strategies, including the following:

- Subsequent to year-end, the Company issued approximately xx million shares to repay amounts outstanding under the line of credit.
- The Company is actively monitoring cash forecasts and managing performance against its forecasts. The Company has identified various cost-reduction initiatives as a result.
- The Company has a plan in place to issue additional shares under a non-brokered private placement to raise additional proceeds.
- The Company has entered into a debt-restructuring arrangement with its debenture holders to, amongst other things, defer the payment of its 2016 interest payments and extend the maturity date of the debentures.

The Company believes that based on the financial strength of its existing shareholder base, and previous success in raising capital, any shortfall in its operating plan may be met through one or more of the above strategies.

Disclosures of significant judgements made in concluding that there were no material uncertainties

Staff observed that some reporting issuers had strong indicators of financial difficulty but the financial statements did not include disclosures about material uncertainties. In such cases, it would appear that management has concluded that there were no material uncertainties that cast significant doubt on the entity's ability to continue as a going concern that would require disclosures under IAS 1.25. In reaching that conclusion, significant judgement was applied (given the strong indicators of financial difficulties), but there were no disclosures related to such judgement.

A reporting issuer's management, audit committee, and external auditor has an important role to play to ensure that investors are provided with timely and accurate information related to going concern risks. If significant judgement was applied in concluding that there were no material uncertainties that may cast significant doubt upon a reporting issuer's ability to continue as a going concern, disclosures about the significant judgments made in these "close call" situations provide useful information to users.

Consider and assess:

Are investors receiving adequate level of information about:

- Significant going concern risks?
- Relevant management judgements being exercised?
- Mitigating factors that are being considered by management in making these assessments?



Non-GAAP Financial Measures

Many reporting issuers include non-GAAP financial measures in press releases, MD&A, prospectus filings, website, and marketing materials. While Staff recognise that non-GAAP financial measures may provide investors with additional insight into a reporting issuer's financial performance, financial condition and/or cash flow, Staff continue to see potentially misleading disclosures with respect to non-GAAP financial measures. Some common areas of concerns include:

- **The prominence of the disclosure given to non-GAAP financial measures in comparison to the GAAP financial measures:** Staff continue to observe reporting issuers that present their non-GAAP earnings before their GAAP earnings in their MD&A or press releases, or that focus their discussion of performance on the non-GAAP earnings, providing a less fulsome discussion of their GAAP earnings.

- **A large number of non-GAAP financial measures being used in the MD&A:** the presentation and discussion of an extensive number of non-GAAP financial measures can obscure GAAP results. Often, the greater the number of measures, the more potential there is for confusion, or for material information to be obscured.
- **Non-GAAP financial measures not reconciled to the most directly comparable GAAP measures:** Staff continue to identify instances where non-GAAP financial measures, particularly those presented in press releases, are not reconciled to the most comparable GAAP measures. In order to help ensure that a non-GAAP financial measure does not mislead investors, a reporting issuer should provide a clear quantitative reconciliation from the non-GAAP financial measure to the most directly comparable GAAP measure and reference the reconciliation when the non-GAAP financial measure first appears in the document.

Staff will be actively monitoring this area in the coming fiscal year, and caution reporting issuers about the potential for regulatory action if a reporting issuer discloses information in a manner considered misleading and therefore potentially harmful to the public interest.

Consider and assess:

- Is my GAAP measure presented first in my disclosure documents?
- Are too many non-GAAP measures being presented such that material information is being obscured?
- Is my non-GAAP financial measure reconciled to the most directly comparable GAAP measure?



Fair Value Measurements

As the capital market continues to experience fluctuations, fair value measurements and related disclosures in the financial statements are an important source of information to help investors understand the financial performance and financial position of a reporting issuer. As a result, the disclosure requirements of IFRS 13 have been a recent area of focus for Staff.

As part of this activity, Staff have primarily focused on fair value measurement disclosures in the financial statements of real estate and investment fund reporting issuers because these reporting issuers typically measure a substantial portion of their assets at fair value.

Disclosures of fair value measurements in the real estate industry

Internal vs. independent external valuations [IAS 40.75(e)]

Staff observed that most reporting issuers in the real estate industry used a combination of internal and independent external valuations. Paragraph 75(e) of IAS 40 *Investment Property* requires an entity to disclose, among other things, the extent to which the fair value of an investment property has been independently valued. If there has been no such valuation, that fact must be disclosed.

Reporting issuers in the real estate industry generally complied with this requirement; however, the level of disclosure varied. Staff observed that the more useful disclosures included information on:

- the percentage of the investment portfolio that was independently valued
- whether the composition of properties independently valued were reflective of the composition of the overall investment portfolio
- the policy for how often each property is independently valued.

Staff remind reporting issuers that the use of an independent external valuator does not reduce management's ultimate responsibility for the fair value measurements (and related disclosures) in the financial statements. Management must understand the methodologies and assumptions used for each valuation and determine whether the assumptions are reasonable and consistent with the principles of IFRS 13.

Description of the valuation processes [IFRS 13.93(g)]

Staff observed that most reporting issuers provided some level of information about the valuation processes; however, the quality of disclosures varied. Useful disclosures included a discussion about the group responsible for the valuation processes as well as the internal reporting procedures and oversight of that group. This type of information provides users with an understanding of the level of rigor and sophistication that the investment property valuations are subject to.

Example: Description of valuation processes that did not meet Staff's expectation

Problems:

- Lacks substance (boilerplate)
- Vague disclosure to describe valuation processes

Subsequent to initial recognition, investment properties are measured at fair value, based on available market evidence. If market evidence is not available, ABC REIT uses alternative methods. Investment properties are internally and externally valued.

Example: Improved description of valuation processes

Improvements:

- Greater specificity about the valuation processes, including the internal reporting procedures and oversight

ABC REIT's internal valuation team consists of individuals who are knowledgeable and have recent experience in the fair value techniques for investment properties. The team reports directly to the Executive Vice President of Asset Management and the internal valuation team's valuation processes and results are reviewed by management at least once every quarter.

A leading independent national real estate valuation firm, with representation and expertise across Canada, values approximately 40% of the portfolio (by value) annually. Properties are rotated annually to ensure that approximately 80% of the portfolio (by value) is independently valued over a 2-year period.

On a quarterly basis, for properties that are not independently valued that quarter, the valuation models for those properties are updated by the internal valuation team for current leasing and market assumptions...

The internal valuation team also verifies all major inputs used by the independent valuator in preparing the valuation report, assesses changes to fair value by comparing the current year fair value against the fair value determined in the prior year valuation report, and holds discussions with the independent valuator...

Disclosures for each class of assets [IFRS 13.93 & .94]

IFRS 13.93 requires an entity to disclose certain information for each class of assets and liabilities measured at fair value in the statement of financial position after initial recognition.

For investment properties, Staff observed that disclosures by the type of property (e.g., retail, residential, or commercial) and the geographic location of the property were most informative.

Disclosures by the type of property are useful because the nature, characteristics, and risk may be different for a residential property as compared to a commercial property. Disclosures by geographical regions are also relevant because the risks of holding an investment property in Canada may be different from that of the U.S. due to differences in economies, for example.

Description of inputs used in the fair value measurement [IFRS 13.93(d)]

IFRS 13.93(d) requires, among other things, a description of the valuation technique(s) and the inputs used for fair value measurements categorized within level 2 and level 3 of the fair value hierarchy. In examining the description of the inputs used, Staff found that the quality of disclosures varied amongst reporting issuers.

Staff observed that a good description of the inputs included useful information about the basis for those inputs. For example, information about what the discount rate or capitalization rate was based on, and how it was determined.

Example: Description of inputs that did not meet Staff's expectation

Problems:

- Lacks substance (boilerplate)
- Does not describe the inputs

XYZ REIT uses the direct income capitalization method to fair value its investment properties. In applying the direct income capitalization method, the stabilized net operating income of each property is divided by an overall capitalization rate.

Example: Improved description of inputs

Improvements:

- Describes each significant input

XYZ REIT uses the direct income capitalization method to fair value its investment properties. In applying the direct income capitalization method, the stabilized net operating income of each property is divided by an overall capitalization rate. The significant unobservable inputs include:

- Stabilized net operating income, which is based on the location, type and quality of the properties and supported by the terms of any existing lease, other contracts, or external evidence such as current market rents for similar properties, adjusted for estimated vacancy rates based on current and expected future market conditions after expiry of any current lease and expected maintenance costs.
- Capitalization rate, which is based on location, size and quality of the properties and taking into account market data at the valuation date.

Disclosures of fair value measurements in the investment fund industry

Description of valuation techniques [IFRS 13.93(d)]

IFRS 13.93(d) requires, among other things, a description of the valuation technique(s) and the inputs used for fair value measurements categorized within level 2 and level 3 of the fair value hierarchy.

Staff noted that investment funds with more useful disclosures described the specific valuation techniques for the investments held by the fund, whereas disclosures were considered less useful if the description of the valuation techniques was generic.

A useful description of valuation techniques may include, for example, specific information on comparable recent transactions, references to other instruments that are substantially the same, discounted cash flow analysis, option pricing models, valuation multiples, etc.

Quantitative information about significant unobservable inputs [IFRS 13.93(d)]

IFRS 13.93(d) requires, among other things, disclosure of quantitative information about the significant unobservable inputs used in the fair value measurement categorized within level 3 of the fair value hierarchy.

Unobservable inputs may include, for example, probability of default, prepayment rates, expected volatility, valuation multiples, discounts for lack of marketability, discount rates, etc.

While an entity is not required to create quantitative information if it is not developed by the entity (for example, if pricing information is taken from a third-party without adjustments), Staff observed that some investment funds did not provide any quantitative information about the significant unobservable inputs, even in cases where valuations were performed internally, and that information ought to have been available.

Sensitivity to changes in unobservable inputs [IFRS 13.93(h)]

IFRS 13.93(h) requires, among other things, a description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, an entity should also provide a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement.

Staff observed that some investment funds did not provide any information about the impact of changes to specific unobservable inputs used in the fair value measurement, including interrelationships between those inputs and how those interrelationships might magnify or mitigate the effect of the changes in unobservable inputs on the fair value measurement.

Example: Sensitivity analysis that did not meet Staff's expectation

Problems:

- Does not specify which unobservable input cause the sensitivity
- Does not identify the interrelationships between unobservable inputs

XYZ investment fund holds debt securities. An x% increase or decrease in the fair value of the securities would have resulted in an equivalent percentage change to the net assets of the entity.

Example: Improved disclosure of sensitivity to changes in unobservable inputs

Improvements:

- Greater specificity about the interrelationships between unobservable inputs and their impact on the fair value

ABC investment fund holds debt securities that consist of Australian corporate bonds. ABC investment fund fair values these securities using the net present value of estimated future cash flows. For these debt securities, the most significant unobservable inputs are the cost of capital and probability of default. Increases in these variables would lead to a decrease in the fair value. These variables are interrelated such that a change in the assumption used for the probability of default is expected to be accompanied by a change in the same direction in the cost of capital.

		Reasonably possible change in unobservable input value	Impact on Fair Value
Cost of capital	8%	+/- 3%	+/-25
Default probability	12%	+/- 5%	+/-50

Categorization of equity instruments within level 2 of the fair value hierarchy

Staff observed that for investment funds that held material equity investments categorized within level 2 of the fair value hierarchy, the disclosure often did not describe, in sufficient detail, the specific observable inputs that support the categorization as level 2. For example, it would not be sufficient to simply refer to the use of observable market data; the disclosure should describe the specific observable inputs (e.g., recent sale price of similar shares in an active market).

Furthermore, the description of the valuation techniques for these investments sometimes called into question whether there were one or more unobservable inputs that were significant to the entire fair value measurement, which would result in the fair value measurement being categorized within level 3 of the fair value hierarchy.

If management has made significant judgements in determining the appropriate categorization of a fair value measurement, disclosure of such judgements facilitates an investor's understanding of the measurement approach.



Considerations for Implementation of IFRS 9, IFRS 15, and IFRS 16

Several new accounting standards have been issued by the IASB that may significantly affect the financial statements of many issuers, such as:

- IFRS 9 *Financial Instruments* (IFRS 9) - effective for annual reporting periods beginning on or after January 1, 2018
- IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) - effective for annual reporting periods beginning on or after January 1, 2018
- IFRS 16 *Leases* (IFRS 16) - effective for annual reporting periods beginning on or after January 1, 2019

We expect that reporting issuers, including their audit committees, have already begun or will soon begin the work necessary to effectively implement these new standards, and similarly their auditors are now planning their work to ensure compliance with financial statements disclosure requirements relating to the future impact of these new standards.

Disclosures of the impact of new accounting standards

An assessment of the impact of these new standards will need to be conducted by reporting issuers in all industries; however certain reporting issuers and/or industries may be impacted to a greater extent than others. For example, IFRS 15 may have a significant impact on reporting issuers with long-term service contracts, multiple element arrangements, or other complex revenue transactions. Transition may have varying degrees of impact to different reporting issuers; however there are significant disclosure requirements in the new standards that will require careful consideration by all reporting issuers.

Reporting issuers should not underestimate the extent to which these new standards may impact their financial reports and related processes. It is therefore important that reporting issuers conduct an appropriate assessment of the effect of these new standards, giving consideration to decisions such as when and how to effect the transition within the timeframe required by the new standards.

As such, Staff encourage management, audit committees, and auditors of reporting issuers to have extensive discussions about the impact and progress of transition to these new standards. Staff expect audit committees to closely monitor implementation as part of their responsibilities over financial reporting.

When an entity has not applied a new IFRS that has been issued but is not yet effective, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires disclosure of “known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the entity’s financial statements in the period of initial application”. These requirements encompass both qualitative and quantitative information, and may require disclosure of the quantified impact well before the first financial report to which a new standard applies.

Consider and assess:

- Is a detailed implementation plan in place?
- Have sufficient resources been allocated to ensure implementation on a timely basis?
- Are IT systems capable of collecting the necessary data for the new reporting requirements?
- How will the new standards impact the company’s policies and business practices?
- Is there any impact on debt covenants, capital requirements, or compensation arrangements?
- Is there any impact on the key operating metrics?
- Is there any impact on internal controls? How will this impact the CEO/CFO certifications required under securities regulation?
- What are the areas of significant judgement that will be required to be disclosed in the financial statements upon implementation?
- Has there been sufficient communication with investors to ensure they understand the impact of the new accounting standards on the company’s financial performance and position?

Staff expectations

Staff expect to see increasingly detailed disclosure about the expected effects of the new standards as reporting issuers make progress in their implementation efforts and the effective dates approach. As the implementation of these new standards progresses, the impact should become more reasonably estimable and reporting issuers should be able to provide progressively more detailed qualitative and quantitative information.

As many stakeholders are monitoring the impact of the new standards on a reporting issuer’s financial position and performance, even when the impact of a new standard is not material, information that there will be no material impact may be important information for investors and other users.

It is reasonable to expect that quantitative information will be available and disclosed for the reporting date that coincides with the start of the comparative period that will be affected in a future financial report (for example, Q1 2017 for reporting issuers with a December 31 year-end that are adopting IFRS 15 on a full retrospective basis).

When the impact of the new standards is not quantified, additional qualitative information should be provided to enable users to understand the expected impact on future financial statements.

Staff also remind reporting issuers of the requirements under Section 1.13 of Form 51-102F1 *Management's Discussion & Analysis* (NI 51-102F1), to discuss and analyze changes resulting from a change in accounting standards such as the methods of adoption that the company expects to use, the expected effect on the company's financial statements, and potential effect on the company's business including changes in business practices.

We intend to monitor the quality and extent of disclosure in financial reports leading up to adoption, and may raise questions with reporting issuers if there is an inadequate level of transparency in this area.

Example: Future changes to accounting standards

The following is an illustrative example of a portion of a reporting issuer's disclosure that provides useful information on the known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the entity's financial statements.

IFRS 15 Revenue from Contracts with Customers

...The Company will not be early adopting IFRS 15...The Company has elected to adopt IFRS 15 using the modified retrospective approach. Under this approach the Company will recognise transitional adjustments in retained earnings on the date of initial application (January 1, 2018), without restating...

...We expect the application of IFRS 15 will significantly affect our financial statements, especially with regards to the timing of revenue recognition and treatment of costs incurred in acquiring customer contracts...

.... We anticipate this will most significantly affect our Segment A and Segment B that bundle equipment and service together into monthly service fees, which will result in an increase to equipment revenue recognized at contract inception and a decrease to service revenue recognized over the course of the contracts...

...The treatment of costs incurred in acquiring customer contracts will be impacted as IFRS 15 requires certain contract acquisition costs (e.g., sales commissions) to be recorded as an asset and amortized into expenses over time. Currently, such costs are expensed as incurred...

...Although we have made progress in our implementation of IFRS 15, it is not yet possible to make a reliable estimate of the impact of the new standard on our financial statements as we are required to implement significant changes to our systems and processes across the organization in order to collect the new data requirements...

...We expect to report more detailed information, including estimated quantitative financial effects, in our 2017 financial statements...

As implementation progresses and the effective dates approach, we expect that reporting issuers will be disclosing, in the appropriate financial report, increasingly more detailed qualitative and quantitative information, such as:

- status of transition, including significant milestones and anticipated timelines
- significant implementation matters still to be addressed
- expected changes in accounting policies

- revenue streams and reportable segments that are expected to be most significantly affected
- expected directional impact (e.g., increase or decrease) on relevant financial statement line items
- expected quantitative impact (either as estimated dollar amount or estimated dollar range) on relevant financial statement line items
- potential implications on internal controls over financial reporting, data systems, information technology, as well as financing and compensation arrangements
- potential effects on business practices (e.g., sales, contracting).

The above is not an exhaustive list and other information may be relevant to disclose.

Summary of quarterly results and selected annual results required by NI 51-102F1

Section 1.5 *Summary of Quarterly Results* of NI 51-102F1 dictates specific line items (derived from a reporting issuer's financial statements) to be disclosed and discussed in the MD&A for the eight most recently completed quarters. Total revenue is one of the required items to be disclosed and discussed.

IFRS 15 must be applied retrospectively. With regard to comparative periods, reporting issuers have the option of either applying IFRS 15 on a full retrospective basis or on a modified retrospective basis.

Reporting issuers should carefully consider the needs of investors and other users of the financial statements when selecting a transition method. Regardless of the transition method selected, the MD&A should clearly indicate which quarterly information has (or has not) been restated to reflect the adoption of IFRS 15.

Full retrospective

For reporting issuers that choose to apply IFRS 15 on a full retrospective basis, the summary of quarterly information in the Q1 2018 MD&A must present quarterly information for Q1 2017 that has been restated to reflect the adoption of IFRS 15, consistent with the Q1 2017 comparative information presented in the Q1 2018 quarterly financial statements.

In order to facilitate readers' understanding of variations and assessment of quarterly trends, we also encourage reporting issuers to present in its Q1 2018 MD&A restated quarterly information for Q2 2017, Q3 2017, and Q4 2017. At the minimum, as information is presented in the financial statements, the associated quarterly information in the MD&A should be updated. For example, in Q2 2018, the MD&A should include restated quarterly information for at least Q1 2017 and Q2 2017.

In the summary of quarterly results included in the MD&A, we would not object if a reporting issuer chose not to restate quarterly periods that ended prior to the last comparative period presented in the financial statements.

Modified retrospective

Under the modified retrospective method, reporting issuers will apply IFRS 15 to only the most current period presented in the financial statements (e.g., 2018) without restating prior period comparatives (e.g., 2017).

Section 1.5 *Summary of Quarterly Results* of NI 51-102F1 requires information to be derived from the financial statements and therefore we would expect quarterly information for periods in 2018 to reflect the adoption of IFRS 15 and quarterly information for prior periods to be consistent with what has been previously presented.



The OSC Inquiries & Contact Centre operates from
8:30 a.m. to 5:00 p.m. Eastern Time, Monday to Friday,
and can be reached on the Contact Us page of

osc.gov.on.ca

If you have questions or comments about this bulletin, please contact:

Cameron McInnis , CPA, CA, CPA (Illinois)
Chief Accountant
Office of the Chief Accountant
cmcinnis@osc.gov.on.ca
(416) 593-3675

Mark Pinch, CPA, CA
Associate Chief Accountant
Office of the Chief Accountant
mpinch@osc.gov.on.ca
(416) 593-8057

Ritika Rohailla, CPA, CA
Senior Accountant
Office of the Chief Accountant
rrohailla@osc.gov.on.ca
(416) 595-8913

Alex Fisher, CPA, CA
Senior Accountant
Office of the Chief Accountant
afisher@osc.gov.on.ca
(416) 593-3682

1.5 Notices from the Office of the Secretary

1.5.1 Optam Holdings Inc. et al.

**FOR IMMEDIATE RELEASE
November 17, 2016**

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

AND

**IN THE MATTER OF
OPTAM HOLDINGS INC.,
INFINIVEST MORTGAGE
INVESTMENT CORPORATION, and
WADE ROBERT CLOSSON**

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

- (a) Staff's application to continue this proceeding by way of a written hearing is granted;
- (b) Staff's materials shall be served and filed no later than November 28, 2016;
- (c) the Respondents' responding materials, if any, shall be served and filed no later than January 16, 2017; and
- (d) Staff's reply materials, if applicable, shall be served and filed no later than January 30, 2017.

A copy of the Order dated November 16, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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 Lance Kotton and Titan Equity Group Ltd.

**FOR IMMEDIATE RELEASE
November 18, 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 the Temporary Order is extended until the Panel issues its decision on the Extension Request or further order of the Commission.

A copy of the Order dated November 18, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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 New Solutions Capital Inc. et al.

FOR IMMEDIATE RELEASE
November 22, 2016

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

AND

**IN THE MATTER OF
NEW SOLUTIONS CAPITAL INC.,
NEW SOLUTIONS FINANCIAL CORPORATION,
NEW SOLUTIONS FINANCIAL (II) CORPORATION,
NEW SOLUTIONS FINANCIAL (III) CORPORATION,
NEW SOLUTIONS FINANCIAL (IV) CORPORATION and
RONALD JAMES OVENDEN**

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated November 22, 2016 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 VersaBank

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the formal valuation and minority approval requirements – transaction is a business combination pursuant to which the filer is amalgamating with its holding company – net value of assets acquired by the filer as a result of the transaction is below 25% of filer's market capitalization – exemption would have been available but for the fact that transaction is structured as an amalgamation in order to preserve tax-loss carry forwards – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Shareholders in Special Transactions, ss. 4.3, 4.5, 9.1.

November 15, 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
VERSABANK
(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 principal regulator (the **Legislation**) exempting the Filer pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions (MI 61-101)* that the Proposed Transaction (as defined below) be exempt from:

- (a) the requirement set out in section 4.3 of MI 61-101 to obtain a formal valuation; and
 - (b) the requirement set out in section 4.5 of MI 61-101 to obtain minority approval,
- (collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in Québec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and MI 61-101 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 (and PWC (as defined below) in respect of paragraphs 7 to 14, 18 and 19, as they relate to PWC):

The Filer

1. The Filer is a Schedule I chartered bank incorporated and existing under the *Bank Act* (Canada) (the **Bank Act**) and is member institution of the Canada Deposit Insurance Corporation.
2. The Filer is a reporting issuer in all provinces and territories of Canada.
3. The Filer is not in default of any requirement of Canadian securities laws.
4. The Filer's share capital is comprised of (a) an unlimited number of common shares (the **VersaBank Common Shares**), (b) an unlimited number of Series 1 Preferred Shares (the **VersaBank Series 1 Preferred Shares**), and (c) an unlimited number of Series 3 Preferred Shares (the **VersaBank Series 3 Preferred Shares**). As at November 14, 2016, there are 20,095,065 VersaBank Common Shares, 1,461,460 VersaBank Series 1 Preferred Shares, and 1,681,320 VersaBank Series 3 Preferred Shares issued and outstanding.
5. Each of the VersaBank Common Shares, VersaBank Series 1 Preferred Shares and VersaBank Series 3 Preferred Shares are listed and posted for trading on the Toronto Stock Exchange (the **TSX**).
6. To the Filer's knowledge, as at November 14, 2016, no person or company beneficially owns, or exercises control or direction, directly or indirectly, over more than 10% of the VersaBank Common Shares other than
 - (a) PWC Capital Inc. (**PWC**), which owns 12,615,219 VersaBank Common Shares (representing, approximately, 62.8% of the issued and outstanding VersaBank Common Shares, and such 12,615,219 VersaBank Common Shares, the **VersaBank Inventory Shares**); and
 - (b) 340268 Ontario Inc. (**340**) and one of its directors, Patrick George, who own, in aggregate, 2,341,275 VersaBank Common Shares (representing approximately, 11.7% of the issued and outstanding VersaBank Common Shares).

PWC

7. PWC is a corporation incorporated and existing under the *Canada Business Corporations Act* (the **CBCA**).
8. PWC is a reporting issuer in all provinces and territories of Canada, other than Québec.
9. PWC is not in default of any requirement of Canadian securities laws.
10. The share capital of PWC is comprised of (a) an unlimited number of common shares (the **PWC Common Shares**), (b) an unlimited number of PWC Class A Preferred Shares (the **PWC Class A Preferred Shares**), and (c) an unlimited number of Class B Preferred Shares (the **PWC Class B Preferred Shares**). As at November 14, 2016, there are 44,592,260 PWC Common Shares, 314,572 PWC Class A Shares, and 1,094,058 PWC Class B Preferred Shares issued and outstanding. PWC also has an aggregate principal amount of \$61,686,000 of series C notes issued and outstanding (the **PWC Series C Notes**).
11. Each of the PWC Common Shares, PWC Class A Preferred Shares, PWC Class B Preferred Shares and PWC Series C Notes are listed and posted for trading on the TSX.
12. PWC has no business or operations and its sole material asset are the VersaBank Inventory Shares.
13. All members of management of PWC are also members of management of the Filer, and two of the six directors on the board of PWC (the **PWC Board**) are also directors and/or officers of the Filer.

14. PWC is a related party of the Filer as it beneficially owns, or exercises control or direction over, voting securities of the Filer carrying more than 10% of the voting rights attached to all of the Filer's issued and outstanding voting securities.

The Proposed Transaction

15. On September 12, 2016, the Filer and PWC jointly announced that they had agreed to merge by means of an amalgamation pursuant to section 228 of the Bank Act (the **Proposed Transaction**), with the name of the amalgamated entity (the **Bank**) being "VersaBank".
16. The Proposed Transaction is the result of a strategic review process that was announced by the Filer on March 7, 2016 and conducted under the supervision of an independent committee (the **Filer Independent Committee**) of the Filer's board of directors (the **Filer Board**), and with the advice of qualified and independent financial and legal advisors.
17. After reviewing and deliberating upon the other strategic opportunities reasonably available to the Filer, the Filer Independent Committee and the Filer Board are each of the belief, and have determined that, the Proposed Transaction represents the best available alternative for, and is in the best interests of, the Filer.
18. Immediately prior to the Proposed Transaction, PWC will effect a recapitalization transaction (the **PWC Recapitalization**) such that after giving effect thereto, PWC will have (a) no securities issued and outstanding, other than approximately 754,383,223 PWC Common Shares, and (b) no material actual or contingent liabilities.
19. For the purposes of MI 61-101, certain aspects of the PWC Recapitalization are related party transactions and the Proposed Transaction is a "business combination" for PWC. In accordance with MI 61-101, PWC will be seeking minority approval for the PWC Recapitalization and Proposed Transaction from holders of PWC Common Shares and will be providing to such holders a copy of the formal valuation prepared by Crosbie & Company Inc. in respect of the PWC Common Shares and the Bank Common Shares (as defined below) into which the PWC Common Shares will be converted.
20. Pursuant to the Proposed Transaction, among other things:
- (a) all issued and outstanding PWC Common Shares will be converted into common shares of the Bank (**Bank Common Shares**) on the basis of one Bank Common Share for every 54.5087 PWC Common Shares;
 - (b) the VersaBank Inventory Shares which will be cancelled without any repayment of capital in respect thereof; and
 - (c) each issued and outstanding VersaBank Common Share other than the VersaBank Inventory Shares will be converted into one Bank Common Share, each issued and outstanding VersaBank Series 1 Preferred Share will be converted into one Series 1 preferred share of the Bank (**Bank Series 1 Preferred Share**), and each issued and outstanding VersaBank Series 3 Preferred Share will be converted into one Series 3 preferred share of the Bank (**Bank Series 3 Preferred Share**), in each case, with such securities of the Bank having the same attributes and characteristics as the applicable securities of the Filer immediately prior to the Proposed Transaction.
21. Accordingly, after giving effect to the Proposed Transaction, the share capital of the Bank will consist of (a) an unlimited number of Bank Common Shares, (b) an unlimited number of Bank Series 1 Preferred Shares, and (c) an unlimited number of Bank Series 3 Preferred Shares. The Filer expects that there will be 21,319,516 Bank Common Shares issued and outstanding immediately after giving effect to the Proposed Transaction, representing 1,224,451 (or approximately 6.1%) more Bank Common Shares issued and outstanding than the number of VersaBank Common Shares that were issued and outstanding immediately prior to the Proposed Transaction (such 1,224,451 Bank Common Shares, the **Effective Consideration**). 1,461,460 Bank Series 1 Preferred Shares and 1,681,320 Bank Series 3 Preferred Shares will be issued and outstanding after giving effect to the Proposed Transaction, being, in each case, the same number of VersaBank Series 1 Preferred Shares and VersaBank Series 3 Preferred Shares, respectively, as were issued and outstanding prior to the Proposed Transaction.
22. Following completion of the Proposed Transaction, each of the Bank Common Shares, Bank Series 1 Preferred Shares, and Bank Series 3 Preferred Shares will assume the trading symbols currently assigned to such applicable class of securities of the Filer and remain listed and posted for trading on the TSX.
23. Pursuant to the Proposed Transaction, certain tax-loss carry forwards (the **TLCFs**), a non-material amount of cash, proprietary software that is the subject of a perpetual lease to the Filer, certain prepaid expenses, a non-material amount of accounts payable, Part VI tax (under the *Income Tax Act* (Canada)) and other accrued liabilities (collectively,

the **Incremental Net Assets**), will be assumed by the Bank from PWC. The TLCFs comprise the majority of the value of the Incremental Net Assets.

24. Pursuant to requirements of the Bank Act, the Proposed Transaction is required be approved by not less than two thirds of the votes validly cast by holders of VersaBank Common Shares at a special meeting (the **VersaBank Special Meeting**) of holders of VersaBank Common Shares (the **VersaBank Common Shareholders**) to be held to consider the Proposed Transaction.
25. The amalgamation agreement in respect of the Proposed Transaction (the **Transaction Agreement**) is required to be approved by the Superintendent of the Office of Financial Institutions pursuant to section 225 of the Bank Act (the **OSFI Approval**) and the Proposed Transaction is required to be approved by the Minister of Finance pursuant to section 228 of the Bank Act.
26. The Filer will prepare and mail an information circular (the **VersaBank Circular**) prepared in accordance with applicable securities law requirements, including the requirements set out in section 4.2 of MI 61-101.
27. Immediately prior to the Proposed Transaction, the VersaBank Common Shareholders other than PWC (the **Non-PWC VersaBank Common Shareholders**) will own approximately 37.2% of the issued and outstanding VersaBank Common Shares. After giving effect to the Proposed Transaction, the Non-PWC VersaBank Common Shareholders will own approximately 35.1% of the issued and outstanding Bank Common Shares, which represents an approximate 2.1% decrease in the interest of the Non-PWC VersaBank Common Shareholders in the Bank (as compared to their interest in the Filer).
28. Having regard to the approximately 62.8% of the outstanding VersaBank Common Shares owned by PWC immediately prior to the Proposed Transaction:
 - (a) the direct and indirect beneficial ownership in VersaBank Common Shares of 340, Mr. George and his family members immediately prior to the Proposed Transaction but after giving effect to the PWC Recapitalization will be approximately 42.8%; and
 - (b) the direct and indirect beneficial ownership in Bank Common Shares of 340, Mr. George and his family members after giving effect to the Proposed Transaction will be approximately 42.9%.
29. The terms of the Proposed Transaction, including the valuation of the Incremental Net Assets and the determination that the Effective Consideration, being 1,224,451 Bank Common Shares, was the appropriate consideration for the Incremental Net Assets was approved by the Filer Board upon the recommendation of the Filer Independent Committee following arm's length negotiations between the Filer Independent Committee and the independent committee of the PWC Board, with the assistance of their respective independent financial and legal advisors.
30. The financial advisor retained by the Filer Independent Committee (the **Filer Financial Advisor**) has prepared and delivered a fairness opinion (the **Fairness Opinion**) to the Filer Independent Committee and the Filer Board concluding that the Effective Consideration to be paid for the Incremental Net Assets under the Proposed Transaction is fair, from a financial point of view, to the Filer.
31. The Filer Board, on the advice of the Filer Independent Committee and the Filer Financial Advisor, determined that in connection with the Proposed Transaction, the most appropriate manner of determining fairness to the Filer, from a financial point of view, was to look at the Effective Consideration to be paid for the Incremental Net Assets rather than an analysis of the value of the PWC Common Shares to be acquired and the Bank Common Shares to be issued therefor in connection with the Proposed Transaction, as the latter approach would not be relevant to holders of VersaBank Common Shares in their evaluation of the Proposed Transaction.
32. The Proposed Transaction will not have an adverse effect on the Filer or its shareholders, in particular, because:
 - (a) the Filer Board does not expect that the Proposed Transaction will result in any adverse tax or other consequences to the Filer, the Bank or the beneficial holders of affected securities of the Filer or the Bank;
 - (b) no material actual or contingent liability of PWC will be assumed by the Filer or the Bank following the Proposed Transaction; and
 - (c) except in relation to the issuance of the Effective Consideration in consideration of the Incremental Net Assets as described herein, following the Proposed Transaction the nature and extent of the voting and financial participating interests of holders of the Non-PWC VersaBank Common Shareholders in the Bank will be the

same as, and the value of their financial participating interests will not be less than, that of their interests in the Filer before the Proposed Transaction.

33. In order for the value of the Incremental Net Assets, and particularly the TLCFs, to be preserved, the Proposed Transaction had to be structured as an amalgamation.
34. If the Proposed Transaction was structured as (i) an acquisition by the Filer of the Incremental Net Assets and subsequent distribution by PWC of the Effective Consideration and VersaBank Inventory Shares in connection with the PWC Recapitalization, or (ii) an amalgamation of PWC with a wholly-owned subsidiary of the Filer (each, an **Alternative Transaction Structure**):
- (a) the Bank would have the exact same capital structure as will result pursuant to the Proposed Transaction as currently contemplated;
 - (b) the Proposed Transaction would not be a business combination for the purposes of MI 61-101;
 - (c) the Proposed Transaction would be a related party transaction for the purposes of MI 61-101; and
 - (d) the Bank would be entitled to rely on exemptions from the valuation and minority approval requirements available in paragraphs 5.5(a) and 5.7(1)(a) of MI 61-101 as the Effective Consideration to be issued in consideration for the Incremental Net Assets acquired from PWC represent approximately 6.1% of the issued outstanding Bank Common Shares (prior to giving effect to the issuance thereto), materially less than 25% of the Filer's market capitalization.

However, the Bank would be deprived of the majority of the positive pro forma financial value associated with the Incremental Net Assets so acquired from PWC.

35. The Proposed Transaction is subject to a number of mechanisms to take into account the interests of all VersaBank Common Shareholders, including:
- (a) the establishment of the Filer Independent Committee to review, among other things, the Proposed Transaction;
 - (b) that the Filer Independent Committee obtained independent legal and financial advice, including the Fairness Opinion;
 - (c) that the VersaBank Special Meeting has been called and will be held for VersaBank Common Shareholders to consider, and if deemed advisable, approve the Proposed Transaction;
 - (d) that the VersaBank Circular will comply with the requirements of applicable securities law, including the requirements set out in section 4.2 of MI 61-101, and include the full text of the Fairness Opinion;
 - (e) that the Bank Act requires that the Proposed Transaction be approved by not less than two thirds of VersaBank Common Shareholders; and
 - (f) that the Proposed Transaction is subject to receipt of the OSFI Approval.
36. The business, operations and personnel (directors and management) of the Bank will be the same as those of the Filer immediately prior to the Proposed Transaction.
37. The attributes and characteristics of the Bank Common Shares will be identical in all respects to the attributes and characteristics of the VersaBank Common Shares.

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.

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

2.1.2 Aralez Pharmaceuticals Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from requirement to provide audited financial statements of the acquired business in a BAR – it is impracticable to prepare financial statements – filer granted relief to include alternative financial information, comprised of statement of assets acquired and liabilities assumed and statement of operations, as financial statement disclosure for a significant acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

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

Form 44-101F1 Short Form Prospectus, s. 10.2.

November 15, 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
ARALEZ PHARMACEUTICALS 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**) for:

- (a) a decision pursuant to section 13.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) that the requirement under section 8.4 of NI 51-102 and Item 3 of Form 51-102F4 *Business Acquisition Report* (“**Form 51-102F4**”) to provide certain historical financial statements of a business that constitutes a significant acquisition, together with an auditor’s report on such financial statements (collectively, the “**Historical Financial Statements**”) in a business acquisition report (or any document or series of documents that are furnished to the SEC in connection with a business acquisition containing all of the information, including financial statements, required to be included in a business acquisition report) (a “**BAR**”) not apply to the Filer in connection with the Acquisition (as defined below); and
- (b) a decision pursuant to section 8.1 of National Instrument 44-101 *Short Form Prospectus Distributions* (“**NI 44-101**”) that the Historical Financial Statements be included or incorporated by reference in any short form prospectus which the Filer files pursuant to NI 44-101 (a “**Prospectus**”), as required by Item 10.2(4) of Form 44-101F1 – *Short Form Prospectus* (“**Form 44-101F1**”), not apply to the Filer in connection with the Acquisition

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

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

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

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

Interpretation

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

Representation

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) and is a reporting issuer or the equivalent thereof in each of the Jurisdictions, and to the best of its knowledge, information and belief, is not in default of any requirement of securities legislation applicable in the Jurisdictions.
2. The Filer is an “SEC issuer” as defined in NI 51-102. The Filer is a U.S. domestic issuer and not a “foreign private issuer” within the meaning of Rule 405 under the Securities Exchange Act of 1934 of the United States of America.
3. The common shares of the Filer are listed and posted for trading on the TSX under the symbol “ARZ” and on the NASDAQ Global Market under the symbol “ARLZ”.
4. The Filer’s financial year-end is December 31. The Filer reports in U.S. GAAP and U.S. Dollars.
5. On October 31, 2016 (the “**Closing Date**”), the Filer acquired the U.S. rights to Toprol-XL[®] (the “**Acquired Assets**”), pursuant to an asset purchase agreement (the “**Acquisition**”) with AstraZeneca AB, a wholly-owned, indirect subsidiary of AstraZeneca AB, a wholly-owned, indirect subsidiary of AstraZeneca PLC (“**AZ**”).
6. The asset purchase agreement for the Acquisition was executed on October 3, 2016.
7. No employees were transferred to the Filer as part of the Acquisition.
8. The purchase price of the Acquired Assets consists of:
 - a. An initial upfront payment of U.S.\$175 million on the Closing Date;
 - b. Certain milestone payments payable subsequent to the Closing Date upon the occurrence of certain milestone events based on the annual aggregate net sales of Toprol-XL[®] and the currently marketed authorized generic (the “**Authorized Generic**”) and other contingent events, which in no event will exceed U.S.\$48 million in the aggregate;
 - c. Royalty payments of (A) 15% of total quarterly net sales of Toprol-XL[®] and any other authorized or owned generic version of Toprol-XL[®] that is marketed, distributed or sold by or on behalf of, or under a license or sublicense from, the Filer or any of its affiliates (other than the Authorized Generic), and (B) 15% of quarterly net sales of the Authorized Generic, but for purposes of royalty payments and clause (B) only, net sales do not include the supply price paid for the Authorized Generic by the Filer to AZ under the supply agreement to be entered into in connection with the closing of the Acquisition in respect of the applicable period; and
 - d. A payment for the value of the finished inventory of Toprol-XL[®] and Authorized Generic at the Closing Date, not to exceed a cap specified in the asset purchase agreement.
9. Details of the Acquisition and the asset purchase agreement related to the Acquisition can be found in the Current Report on Form 8-K (News Release) filed on SEDAR by the Filer on October 7, 2016 and a News Release filed on SEDAR by the Filer on October 31, 2016.
10. Pursuant to section 8.3 of NI 51-102 and section 81.4(4) of Companion Policy 51-102CP – *Continuous Disclosure Obligations* (“**51-102CP**”), the Filer has concluded that the Acquisition constitutes as “significant acquisition” of a “business”. Accordingly the Filer will be required to file a BAR within 75 days of the Closing Date.
11. In addition, in connection with the filing of any Prospectus following completion of the Acquisition, the Filer would be required to include in any such Prospectus, in accordance with Form 44-101F1 Item 10(4)(a) or (b), financial

statements and other information that is required to be included in, or incorporated by reference into, a BAR filed under Part 8 of NI 51-102 or satisfactory alternative financial statements or other information.

12. Section 8.4 of NI 51-102 requires that the Filer include in the BAR the following financial statements for the Acquired Assets:
 - a. comparative annual financial statements, including:
 - i. a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the audited annual period ended December 31, 2015; and (ii) the annual period ended December 31, 2014;
 - ii. an audited statement of financial position as at December 31, 2015;
 - iii. a statement of financial position as at December 31, 2014; and
 - iv. notes to the annual financial statements; and
 - b. an interim financial report for September 30, 2016 and 2015.
13. Section 8.4(5) requires that the Filer include:
 - a. a *pro forma* statement of financial position of the Filer as at the date of the Filer's most recent statement of financial position filed that gives effect, as if the Acquisition has taken place as at the date of the *pro forma* statement of financial position, to the Acquisition; and
 - b. a *pro forma* income statement that gives effect to significant acquisitions completed since January 1, 2015 (including the Acquisition) for (i) the annual period ended December 31, 2015; and (ii) the most recent interim period of the Filer that ended immediately before the Closing Date.
14. Section 10.2(4) of Form 44-101F1 requires that, in any Prospectus filed after completion of a significant acquisition for which the Filer has not yet filed a BAR under NI 51-102, the Filer include the financial statements that would be required under NI 51-102, as outlined above, or satisfactory alternative financial statements or other information.
15. AZ has advised the Filer that it did not treat the Acquired Assets as a separate and distinct business or division for accounting purposes, and, as a result, AZ did not prepare or maintain stand-alone financial statements specific to the Acquired Assets.
16. The Filer has been further advised by AZ that it is impracticable to prepare full or "carve-out" financial statements for the Acquired Assets in accordance with the requirements under section 8.4 of NI 51-102 for the following reasons:
 - a. AZ has never maintained distinct and separate accounts for the Acquired Assets necessary to prepare the full financial statements for the Acquired Assets and the Acquired Assets are not accounted for as a separate entity, subsidiary or division of AZ and do not represent a separate legal entity. Accordingly, AZ has informed the Filer that it is unable to prepare carve-out financial statements;
 - b. the Acquired Assets represented an inconsequential part of the operations of AZ. The estimated net sales of the Acquired Assets for the year ended December 31, 2015 was \$89 million, which represented less than 1% of AZ's 2015 total revenue of \$25 billion. The carrying value of the Acquired Assets at December 31, 2015 was nil;
 - c. the Acquired Assets were integrated into other businesses of AZ and did not represent a separate reporting or operating segment of AZ. Due to the nature of the Acquired Assets, which rely on shared infrastructure, AZ is unable to systematically isolate discrete financial information for indirect activities and related balance sheet accounts as they were integrated with other parts of AZ's business;
 - d. AZ did not maintain separate sales and marketing or general and administrative support functions (such as finance and accounting, treasury, human resources, public relations, tax, information systems, legal, accounts receivable and accounts payable) for the Acquired Assets;
 - e. as a result of the integration of AZ's business with the Acquired Assets, AZ is unable to objectively allocate certain corporate expenses to the Acquired Assets and, as a result, any allocation would be subjective;

- f. consistent with the foregoing, AZ's systems and procedures do not provide sufficient information for the preparation of stand-alone income tax and interest/capital cost provisions for the Acquired Assets, nor was this required for internal, regulatory or tax purposes as the Acquired Assets are not operated as a separate business or legal entity;
 - g. as a result of the integration of the Acquired Assets in AZ's business, there is no reasonable basis to allocate interest expense; and
 - h. separate cash balances were not maintained for the Acquired Assets; instead, cash receipts and disbursements were aggregated with AZ's other cash activities.
17. The records are insufficiently detailed to extract information specific to the Acquired Assets as would be required to produce the financial statements as set out in Part 8 of NI 51-102 (and, accordingly, Item 10(4)(a) of Form 44-101F1) and, in the Filer's view, it is impracticable to do so. As a result of the factors set out above, the assumptions and estimates required for the Filer to "carve-out" a complete set of financial statements for the Acquired Assets would by necessity be arbitrary and speculative and undermine the reliability of those statements. Any such statements would not reflect the true nature of the Acquired Assets or be useful to shareholders or investors.
18. The Filer proposes to include the following financial statements in the BAR and in any Prospectus (collectively, the "**Abbreviated Financial Statements**"):
- a. an audited statement of the assets to be acquired and liabilities to be assumed by the Filer as at September 30, 2016 and December 31, 2015 (each a "**Statement of Assets Acquired and Liabilities Assumed**"), prepared in accordance with United States generally accepted accounting principles ("**U.S. GAAP**") that:
 - i. includes all assets acquired and liabilities assumed;
 - ii. includes a statement that the Statement of Assets Acquired and Liabilities Assumed is prepared using accounting policies that are permitted by U.S. GAAP;
 - iii. includes a description of the accounting policies used to prepare the Statement of Assets Acquired and Liabilities Assumed; and
 - iv. includes an auditor's report that reflects the fact that the Statement of Assets Acquired and Liabilities Assumed was prepared in accordance with the basis of presentation disclosed in the notes to the Statement of Assets Acquired and Liabilities Assumed;
 - b. an audited statement of the Acquired Assets' direct revenues and expenses for the year ended December 31, 2015 and the nine months ended September 30, 2016 (the "**Statement of Direct Revenues and Expenses**"). These statements will be prepared in accordance with U.S. GAAP and include direct revenues generated by the Acquired Assets, less expenses directly attributable to the Acquired Assets and will include notes to the statements outlining the basis of preparation and assumptions used. The notes will include the assumptions used for any allocated costs (e.g., distribution and certain selling, general and administrative costs) and the nature of any costs excluded (e.g., treasury, tax, legal, information technology, human resources, interest expense and taxes). The Statement of Direct Revenues and Expenses will:
 - i. include a statement that the operating statements are prepared using accounting policies that are permitted by U.S. GAAP;
 - ii. include a description of the accounting policies used to prepare the operating statements; and
 - iii. include an auditor's report that reflects the fact that the operating statements were prepared in accordance with the basis of presentation disclosed in the notes to the operating statements;
 - c. a *pro forma* balance sheet as at September 30, 2016 (the "**Pro Forma Balance Sheet**"); and
 - d. a *pro forma* income statement for each of the year ended December 31, 2015 and the nine months ended September 30, 2016 that includes the Filer's consolidated statements of income and comprehensive income for the year ended December 31, 2015 and the nine months ended September 30, 2016, as applicable, and a constructed statement of the Acquired Assets' direct revenues and expenses for the twelve-month period ended December 31, 2015 and the nine-month period ended September 30, 2016, as applicable (the "**Pro Forma Operating Statements**").

Decisions, Orders and Rulings

19. Based on the financial information relating to the Acquired Assets, the Filer believes that it would be impracticable to prepare a statement of cash flows. Likewise, there is not sufficient data to prepare information about the operating, investing and financing cash flows of the Acquired Assets.
20. The Filer believes that the Abbreviated Financial Statements will provide investors with sufficient information material to their understanding of the Acquired Assets.

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 Filer includes the Abbreviated Financial Statements in the BAR and in any Prospectus filed by the Filer that would be required to include or incorporate by reference the Historical Financial Statements.

“Sonny Randhawa”
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.1.3 Sun Life Global Investments (Canada) Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from paragraphs 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Investment Funds to permit existing and future mutual funds to invest up to 10% of their net assets in closed-end funds traded on a stock exchange in Canada and the United States provided the closed-end funds comply with the investment restrictions in NI 81-102 applicable to mutual funds.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.5(2)(a) and (c), 19.1.

November 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
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Top Funds (as defined below) for an exemption under the securities legislation of the jurisdiction of the principal regulator (the “**Legislation**”) from paragraphs 2.5(2)(a) and (c) of National Instrument 81-102 *Investment Funds* (“**NI 81-102**”) to permit the Top Funds to purchase and hold a security of another investment fund that is not a mutual fund subject to NI 81-102 and whose securities are not or have not been offered under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Funds Prospectus Disclosure* (“**NI 81-101**”) (each a “**Closed-End Fund**” and collectively, the “**Closed-Ends Funds**”) and to permit the Top Funds to purchase and hold a security of another investment fund that is not a reporting issuer in the local jurisdiction (each a “**Foreign Closed-End Fund**” and collectively, the “**Foreign Closed-End Funds**” and together with the Closed-End Funds, the “**Underlying Closed-End Funds**”) (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 the applications; and
- b) The Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (“**MI 11-102**”) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the “**Jurisdictions**”).

Interpretation

Terms defined in NI 81-102, National Instrument 14-101 *Definitions*, MI 11-102 and the *Securities Act* (Ontario) have the same meaning if used in this decision, unless otherwise defined. Capitalized terms used in this decision have the following meanings:

Existing Top Funds means the existing mutual funds managed by the Filer as set out in Exhibit A that are subject to NI 81-102.

Future Top Funds means the mutual funds that are managed by the Filer in the future and that are or will be subject to NI 81-102.

Investment Company Act means the *Investment Company Act of 1940* and the rules and regulations thereunder, as the same may be amended from time to time.

Top Funds means the Existing Top Funds and the Future Top Funds, collectively.

Representations

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

The Filer

- 1. The Filer is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario.
- 2. The Filer is registered as: (i) an investment fund manager in Ontario, Quebec and Newfoundland and Labrador; (ii) a mutual fund dealer in each of the Jurisdictions; and (iii) a commodity trading manager and portfolio manager in Ontario.
- 3. The Filer acts or will act as the manager and portfolio manager of the Top Funds.
- 4. The Filer does not act and does not intend to act as the manager or portfolio manager of any Underlying Closed-End Fund purchased or held by a Top Fund.

5. Neither the Filer nor the Existing Top Funds are in default of securities legislation in any of the Jurisdictions.

The Top Funds

6. Each of the Top Funds is or will be an open-ended mutual fund trust established under the laws of Ontario or a province or territory of Canada or a class of a corporation established under the laws of Canada or a province or territory of Canada.

7. Each of the Top Funds is or will be a reporting issuer in one or more of the Jurisdictions and subject to NI 81-102, subject to any relief therefrom granted by applicable securities regulatory authorities.

8. The securities of the existing Top Funds are qualified for distribution pursuant to a simplified prospectus, annual information form and Fund Facts that were prepared and filed in accordance with NI 81-101.

9. The investment objectives of the Top Funds generally permit, or will permit, the Top Funds to invest in Underlying Closed-End Funds.

10. The investment strategies of each Top Fund expressly states, or will state, that the Top Fund may invest in Underlying Closed-End Funds.

11. Each of the Existing Top Funds that previously invested in Underlying Closed-End Funds filed a prospectus on or before September 22, 2014, permitting them to invest in Underlying Closed-End Funds until March 21, 2016.

12. To achieve the Top Funds' investment objectives, the Filer has determined that it would be in the best interests of each Top Fund to have the ability to invest up to 10% of its net asset value in securities of one or more Underlying Closed-End Funds in order to obtain diversification and exposure from time to time to the assets and sectors represented by the portfolios of such Underlying Closed-End Funds, which are not always readily available through equity investments.

13. Investments by a Top Fund in an Underlying Closed-End Fund are limited by the requirements of NI 81-102. The Filer proposes that no more than 10% of the net asset value of a Top Fund be invested in a particular Underlying Closed-End Fund taken at market value at the time of purchase.

14. The securities of the Underlying Closed-End Funds will not be "index participation units" within the meaning of NI 81-102 ("IPUs").

15. Each Closed-End Fund is or will be a non-redeemable investment fund that is subject to NI

81-102, that is not managed and/or advised by the Manager or an affiliate or associate of the Manager and whose securities are listed on a stock exchange in Canada.

16. Each Foreign Closed-End Fund is or will be a non-redeemable investment fund that is subject to the *Investment Company Act*, that is not managed and/or advised by the Manager or an affiliate or associate of the Manager and whose securities are listed on a stock exchange in the United States.

17. A Top Fund does not, and will not, pay management fees or incentive fees that, to a reasonable person, would duplicate a fee payable by an Underlying Closed-End Fund for the same service.

Change in Fund of Fund Rules under NI 81-102

18. Prior to recent amendments to NI 81-102, the fund of fund rules in section 2.5 Investments in Other Mutual Funds, as it was then called, did not prohibit mutual funds from investing in closed-end funds that were not mutual funds.

19. The recent amendments to NI 81-102 have broadened the fund of fund rules in section 2.5 Investment in Other Investment Funds to include other types of investment funds, such as closed-end funds.

Investment by the Top Funds in Underlying Closed-End Funds

20. Recent amendments to NI 81-102 prohibit a mutual fund from being able to purchase or hold a security of an underlying investment fund, including a non-redeemable investment fund that is not an IPU, unless, among other things:

(a) under paragraph 2.5(2)(a) of NI 81-102, the underlying investment fund is a mutual fund that is subject to NI 81-102 and offers or has offered securities under a simplified prospectus in accordance with NI 81-101 (the "**s. 2.5(2)(a) Investment Restriction**"); and

(b) under paragraph 2.5(2)(c) of NI 81-102, the mutual fund and the underlying investment fund are reporting issuers in the applicable local jurisdiction (the "**s. 2.5(2)(c) Investment Restriction**" and, together with the s. 2.5(2)(a) Investment Restriction the "**Investment Restrictions**").

21. Without the Exemption Sought, the s. 2.5(2)(a) Investment Restriction prohibits a Top Fund from purchasing or holding securities in one or more Underlying Closed-End Funds because such Underlying Closed-End Funds are not mutual

funds subject to NI 81-102 and do not offer, or have not offered, securities under a simplified prospectus in accordance with NI 81-101.

22. Without the Exemption Sought, the s. 2.5(2)(c) Investment Restriction prohibits a Top Fund from purchasing or holding securities in one or more Foreign Closed-End Funds because such Foreign Closed-End Funds will not be reporting issuers in the local jurisdiction.

23. An investment by a Top Fund in securities of an Underlying Closed-End Fund will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund and will be made in accordance with the investment objective of Top Fund.

24. Granting the Exemption Sought is in the best interests of the Top Funds and is not prejudicial to the public interest or to securityholders of the Top Funds.

asset value to be invested in such Underlying Closed-End Fund; and

(e) the Filer uses pre-trade compliance controls to monitor the restrictions in paragraph (c) and (d) above.

“Darren McKall”
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

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 on the following conditions:

- (a) the securities of each Underlying Closed-End Fund trade on a stock exchange in Canada or the United States;
- (b) a Top Fund does not purchase securities of an Underlying Closed-End Fund if, immediately after the purchase, more than 10% of the Top Fund's net asset value would consist of securities of Underlying Closed-End Funds;
- (c) subject to (d) below, other than any exemptive relief granted to an Underlying Closed-End Fund and other than with respect to paragraphs 2.12(1)10, 2.13(1)9 and 2.14(1)8 of NI 81-102, each Underlying Closed-End Fund complies with the investment restrictions of NI 81-102 applicable to mutual funds;
- (d) the weighted average leverage exposure of each Top Fund does not exceed 10% of the net asset value of the Top Fund. Each Top Fund's weighted average leverage exposure is determined by multiplying (i) the leverage employed by each Underlying Closed-End Fund, by (ii) the percentage of the Top Fund's net

EXHIBIT A

LIST OF EXISTING TOP FUNDS

Sun Life Granite Balanced Growth Portfolio	Sun Life MFS Dividend Income Fund
Sun Life Granite Balanced Growth Class	Sun Life MFS Dividend Income Class
Sun Life Granite Balanced Portfolio	Sun Life MFS Monthly Income Fund
Sun Life Granite Balanced Class	Sun Life NWQ Flexible Income Fund
Sun Life Granite Conservative Portfolio	Sun Life Money Market Fund
Sun Life Granite Conservative Class	Sun Life Money Market Class
Sun Life Granite Enhanced Income Portfolio	
Sun Life Granite Growth Portfolio	
Sun Life Granite Growth Class	
Sun Life Granite Income Portfolio	
Sun Life Granite Moderate Portfolio	
Sun Life Granite Moderate Class	
Sun Life Milestone 2020 Fund	
Sun Life Milestone 2025 Fund	
Sun Life Milestone 2030 Fund	
Sun Life Milestone 2035 Fund	
Sun Life BlackRock Canadian Composite Equity Class	
Sun Life BlackRock Canadian Equity Fund	
Sun Life BlackRock Canadian Equity Class	
Sun Life Franklin Bissett Canadian Equity Class	
Sun Life MFS Canadian Equity Fund	
Sun Life MFS Canadian Equity Class	
Sun Life MFS Canadian Equity Growth Fund	
Sun Life MFS Canadian Equity Value Fund	
Sun Life Sentry Value Fund	
Sun Life Sentry Value Class	
Sun Life Sionna Canadian Small Cap Equity Class	
Sun Life Trimark Canadian Class	
Sun Life Dynamic American Value Fund	
Sun Life MFS U.S. Equity Fund	
Sun Life MFS U.S. Growth Fund	
Sun Life MFS U.S. Growth Class	
Sun Life MFS U.S. Value Fund	
Sun Life MFS Global Growth Fund	
Sun Life MFS Global Growth Class	
Sun Life MFS Global Value Fund	
Sun Life MFS Low Volatility Global Equity Fund	
Sun Life Sentry Global Mid Cap Fund	
Sun Life Sentry Infrastructure Fund	
Sun Life MFS International Growth Fund	
Sun Life MFS International Growth Class	
Sun Life MFS International Value Fund	
Sun Life MFS Low Volatility International Equity Fund	
Sun Life Schroder Emerging Markets Fund	
Sun Life Dynamic Energy Fund	
Sun Life BlackRock Canadian Balanced Fund	
Sun Life BlackRock Canadian Balanced Class	
Sun Life MFS Balanced Growth Fund	
Sun Life MFS Balanced Value Fund	
Sun Life Sentry Conservative Balanced Fund	
Sun Life MFS Global Total Return Fund	
Sun Life Multi-Strategy Bond Fund	
Sun Life MFS Canadian Bond Fund	
Sun Life Templeton Global Bond Fund	
Sun Life Dynamic Equity Income Fund	
Sun Life Dynamic Equity Income Class	
Sun Life Dynamic Strategic Yield Fund	
Sun Life Dynamic Strategic Yield Class	

2.1.4 Avenir Limited

Headnote

Subsection 1(10) of the Securities Act – Application by a reporting issuer for an order that it is not a reporting issuer. Applicant not eligible to use the simplified procedure under the Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issuer as its securities are listed on the Australian Stock Exchange. Non-U.S. Applicant eligible to use the modified approach provided the Applicant demonstrates that Canadian securityholders will receive adequate disclosure under foreign securities law or exchange requirements. Outstanding securities are not beneficially owned, directly or indirectly by fewer than 15 security holders in Ontario and more than 51 security holders worldwide. Issuer has issued a press release announcing that it has submitted an application to cease to be a reporting issuer – requested relief granted.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).
National Instrument 45-106 Prospectus and Registration Exemptions.

October 5, 2016

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE JURISDICTION)**

AND

**IN THE MATTER OF
AVENIRA LIMITED
(THE FILER)**

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Filer be deemed to cease to be reporting issuer in the Jurisdiction (the **Exemptive Relief Sought**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions and Interpretation* 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 under the laws of Western Australia. The head office of the

Filer is located at Ground Floor, 20 Kings Park Road, West Perth, Western Australia 6005, Australia.

2. The Filer does not have any operations, employees or offices in Canada.
3. The Filer is an Australian based mining company in the business of exploration, development and production. The Filer owns 100% of the Wonarah Project in Australia and 80% of the Baobab phosphate project in Senegal, West Africa. The Filer's management is located in West Perth, Australia.
4. The Filer is a reporting issuer in the Jurisdiction and is not a reporting issuer, or the equivalent, in any other jurisdiction in Canada.
5. The ordinary shares of the Filer (the **Ordinary Shares**) have traded on the Australian Securities Exchange (the **ASX**), an Australian exchange, since October 10, 2006.
6. The Ordinary Shares were listed and posted for trading on the Toronto Stock Exchange (the **TSX**) on September 13, 2010.
7. The Filer only attracted a *de minimis* number of Canadian investors. During the period in which the Ordinary Shares were concurrently listed on the TSX and the ASX, the majority of the trading took place on the ASX. During the 12 complete months preceding the date of the Filer's application for the Exemptive Relief Sought, being March 2015 through February 2016, based on information obtained from Bloomberg, the total trading volume of the Ordinary Shares on the ASX was 52,054,681 and the total trading volume of the Ordinary Shares on the TSX was 109,992, indicating that 99.79% and 0.21% of the total trading volume of the Ordinary Shares occurred on the ASX and the TSX, respectively.
8. As a result of the very limited trading volume of Ordinary Shares on the TSX over a sustained period and the low and declining ownership of Ordinary Shares on the Canadian share register, the Filer determined that the regulatory and other costs associated with maintaining a TSX listing could no longer be justified and, on February 22, 2016, made an application to the TSX to voluntarily de-list the Ordinary Shares from the TSX. The Filer issued a press release dated February 24, 2016 indicating its reasons for the de-listing and the date on which the Ordinary Shares would be de-listed, being March 11, 2016.
9. On March 11, 2016, the Ordinary Shares were de-listed from the TSX. Following delisting from the TSX, the Filer closed its Canadian share register.

10. As of the date of this application, no securities of the Filer, including debt securities, are listed, traded or quoted in Canada 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 and the Filer does not intend to have any of its securities listed, traded or quoted on such a marketplace in Canada.
11. The Filer files continuous disclosure reports under Australian securities laws and the Ordinary Shares continue to be listed on the ASX.
12. The Filer is a "designated foreign issuer" (as defined under National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (NI 71-102)*).
13. The Filer is not eligible to use the simplified procedure under the CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer (Staff Notice 12-307)* as its securities are listed on the ASX and it does not meet the requisite test under the simplified procedure relating to the number of security-holders of the Filer and the Filer has therefore applied under the modified approach for foreign issuers set forth under Staff Notice 12-307.
14. The Filer is not in default of any requirement of the Legislation.
15. In support of the representations set forth in paragraph 21 below concerning the percentage of outstanding securities and the total number of security holders in Canada, the Filer sought and obtained information from several sources about the number, holdings, identity and geographic location of the beneficial holders of the outstanding Ordinary Shares. The Filer has undertaken a thorough and diligent examination of its share register. The transfer agent in turn made relevant inquiries of participants holding positions in the Filer's securities. The Filer also engaged the advisory services group of Nasdaq Corporate Solutions (**NASDAQ**) to provide an analysis of Canadian resident beneficial owners by issuing tracing notices to the custodian and nominee companies listed on the Filer's share register. NASDAQ confirmed that this is done in accordance with s. 672 of the *Corporations Act of Australia* (the **Corporations Act**). The Filer believes that these inquiries were reasonable, given that its share register and the transfer agents are the only official sources of information on the Filer's security holders.
16. NASDAQ conducted an analysis of the holdings of the registered shareholders of the Filer holding the largest 200 registered positions (the **Top 200**) based on the Ordinary Share register dated as of June 24, 2016. As of such date, there were 523,901,468 Ordinary Shares outstanding. The register extract of the Top 200 registered shareholders accounted for approximately 82.66% of the total issued and outstanding Ordinary Shares.
17. In cases where a Canadian-domiciled custodian, nominee or broker was not in a position to disclose the name and address details of the beneficial owner/relevant interest holders under their custody in response to a tracing notice due to Canadian privacy laws, NASDAQ obtained a generic breakdown of the number of beneficial holders under such custodian's position, together with the aggregate number of Ordinary Shares held by each shareholder.
18. Based on the analysis of the Top 200 registered shareholders, NASDAQ identified six Canadian shareholders holding, in aggregate, 589,626 Ordinary Shares (representing approximately 0.11% of the outstanding Ordinary Shares). All six positions were identified as being Canadian-based private client brokers. In order to estimate the number of Canadian beneficial shareholders behind these positions, NASDAQ calculated a proportional share ownership ratio by dividing the total number of Ordinary Shares outstanding (being 523,901,468) by the number of beneficial shareholders worldwide (being 4,500) and calculated that, on average, each beneficial shareholder owns approximately 116,422 Ordinary Shares. On this basis, it was estimated that five beneficial shareholders would be expected to be behind the six Canadian-domiciled private client broker holders.
19. Shareholdings outside of the Top 200 registered holders accounted for approximately 17.34% of the outstanding Ordinary Shares. Based on NASDAQ's review of the register, this balance of Ordinary Shares was believed to consist almost entirely of holdings of a retail nature. These shareholdings were made up either of Ordinary Shares beneficially owned by the person(s) named on the register of members or small Australian-domiciled private client brokers that are typically seen to hold securities on behalf of Australian domestic retail clients. Among the registered positions outside the Top 200, two Canadian registered shareholders were identified, holding a total of 2,100 Ordinary Shares (representing approximately 0.0003% of the outstanding Ordinary Shares). For the purpose of ascertaining where these holdings are domiciled, the address on the register was taken as the domiciled address of the beneficial shareholder. On this basis, the 2,100 Ordinary Shares were reflected as being domiciled in Canada.
20. After giving effect to the assumptions in paragraphs 17 and 19, NASDAQ calculated that

591,726 Ordinary Shares (representing 0.11% of the outstanding Ordinary Shares) were held by seven Canadian beneficial shareholders (representing approximately 0.001% of the 4,500 beneficial shareholders worldwide).

“Garnet W. Fenn”
Commissioner
Ontario Securities Commission

21. Accordingly, based on the foregoing, as at June 24, 2016, residents of Canada do not:
- (a) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the Filer worldwide; and
 - (b) directly or indirectly comprise more than 2% of the total number of securityholders of the Filer worldwide.
22. In the 12 months before applying for the decision, the Filer has not taken any steps that indicate there is a market for its securities in Canada. The Filer has not taken steps to create a market for the Ordinary Shares in Canada and, in particular, has never offered securities to the public in any jurisdiction in Canada by way of a prospectus offering, and has not privately placed any Ordinary Shares in Canada in the last 12 months.
23. The Filer provided advance notice to Canadian resident securityholders in a news release dated March 16, 2016 stating that it has applied to the Ontario Securities Commission for a decision that it is not a reporting issuer in the Jurisdiction and that, if that decision is made, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.
24. The Filer has provided an undertaking that it will concurrently deliver to its Canadian securityholders all disclosure material the Filer would be required under Australian securities laws or exchange requirements to deliver to Australian resident securityholders.
25. Upon the receipt of the decision and the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

“Judith Robertson”
Commissioner
Ontario Securities Commission

2.1.5 Barclays Capital Inc. and Barclays Capital Securities Limited

Headnote

U.S. registered broker-dealer and UK-based affiliate exempted from dealer registration under paragraph 25(1) of the Act in respect of certain trades in debt securities with permitted clients, as defined under NI 31-103, where the debt securities are i) debt securities of Canadian issuers and are denominated in a currency other than the Canadian dollar; or ii) debt securities of any issuer, including a Canadian issuer, and were originally offered primarily in a foreign jurisdiction outside Canada and a prospectus was not filed with a Canadian securities regulatory authority for the distribution – relief is subject to sunset clause – relief as contemplated by CSA Staff Notice 31-346 Guidance as to the Scope of the International Dealer Exemption in relation to Foreign-Currency Fixed Income Offerings by Canadian Issuers.

Applicable Legislative Provisions

Statutes Cited

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

Instruments Cited

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

November 18, 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
BARCLAYS CAPITAL INC. AND
BARCLAYS CAPITAL SECURITIES LIMITED**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from Barclays Capital Inc. (**BCI**) and its affiliate Barclays Capital Securities Limited (**BCSL**, and together with BCI, the **Filers**) for a decision under the securities legislation of the Jurisdiction (the

Legislation) exempting the Filers from the dealer registration requirement under the Legislation in respect of trades in debt securities, other than during the distribution of such securities, with permitted clients, as defined under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), where the debt securities are

- (a) debt securities of Canadian issuers and are denominated in a currency other than the Canadian dollar; or
- (b) debt securities of any issuer, including a Canadian issuer, and were originally offered primarily in a foreign jurisdiction outside Canada and a prospectus was not filed with a Canadian securities regulatory authority for the distribution (the **Exemption Sought**).

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

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this Application, and
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada (the Passport Jurisdictions and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

As to BCI

1. BCI is a corporation incorporated under the laws of Connecticut. Its head office is located at 745 – 7th Avenue, New York, NY 10019, in the United States of America.
2. BCI provides securities brokerage and financial advisory services.
3. BCI is an indirect wholly-owned subsidiary of Barclays Bank plc (**BBPLC**).
4. BCI is registered as a broker-dealer with the U.S. Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**), a self-regulatory organization.

This registration subjects BCI to requirements over regulatory capital, lending of money, extension of credit and provision of margin, financial reporting to the SEC and FINRA, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer-members of the Investment Industry Regulatory Organization of Canada (IIROC) are subject.

5. BCI is a member of a number of major U.S. securities exchanges, including the New York Stock Exchange and NASDAQ.
6. BCI provides a variety of capital raising, investment banking, brokerage, and advisory services, including fixed income and equity sales and research, securities lending and derivatives dealing for governments, corporations and financial institutions.
7. BCI is currently relying on the "international dealer exemption" under section 8.18 of NI 31-103 (the **international dealer exemption**) in the Provinces of Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan.
8. BCI is in compliance in all material respects with U.S. securities laws. BCI is not in default of Canadian securities laws.

As to BCSL

9. BCSL is a company registered in England and Wales with its head office located in London, England at 1 Churchill Place, London, E14 5HP, United Kingdom.
10. BCSL is a broker-dealer engaged in, among other things, securities trading and is authorized to do so by the Prudential Regulation Authority of the United Kingdom.
11. BCSL is a wholly-owned subsidiary of BBPLC.
12. BCSL is currently relying on the international dealer exemption in the Provinces of Alberta, British Columbia, Manitoba, Ontario and Quebec.
13. BCSL is not in default of Canadian securities laws.

As to BCI and BCSL

14. BCI and BCSL are each affiliates of Barclays Capital Canada Inc. (**BCCI**). BCCI is registered as an investment dealer in the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Ontario, Quebec and Saskatchewan, and is a dealer member of IIROC.
15. Each of BCI and BCSL wishes to trade in debt securities of Canadian issuers with permitted

clients other than during such securities' distribution.

16. Subsection 8.18(2)(b) of NI 31-103 provides that, subject to subsections 8.18(3) and 8.18(4), the dealer registration requirement does not apply in respect of a trade in a debt security with a permitted client during the security's distribution, if the debt security is offered primarily in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution. Subsection 8.18(2)(c) of NI 31-103 provides that, subject to subsections 8.18(3) and 8.18(4), the dealer registration requirement does not apply in respect of a trade in a debt security that is a foreign security with a permitted client, other than during the security's distribution.
17. The permitted activities under subsection 8.18(2) of NI 31-103 do not include a trade in a debt security of a Canadian issuer with a permitted client, other than during the security's distribution in the limited circumstances described above.
18. On September 1, 2016, the Staff of the Canadian Securities Administrators (**CSA Staff**) published CSA Staff Notice 31-346 *Guidance as to the Scope of the International Dealer Exemption in relation to Foreign-Currency Fixed Income Offerings by Canadian Issuers* (the **Staff Notice**).
19. CSA Staff stated in the Staff Notice that they did not believe there was a policy reason to limit the exemption in subsection 8.18(2) of NI 31-103 to trades that occur during the initial period of the securities' distribution or to conclude that an international dealer should be permitted to sell a debt security to a Canadian institutional investor but not be permitted to act for the institutional investor in connection with the resale of the security. CSA Staff further stated that they were prepared to recommend exemptive relief to permit international dealers to deal with institutional investors to facilitate resales of debt securities, subject to conditions the CSA consider appropriate.
20. Accordingly, the Filers are seeking exemptive relief as contemplated by the Staff Notice to permit each of BCI and BCSL to deal with Canadian permitted clients in connection with resales of debt securities that may be distributed to the permitted clients in reliance on the international dealer exemption in section 8.18 of NI 31-103.
21. It may be difficult at the time of a resale of a debt security to determine whether the debt security was originally offered as part of an offering that was made primarily in a foreign jurisdiction or whether a prospectus was filed in Canada in connection with such offering. However, the Filers believe, based on their experience with foreign-currency-denominated fixed income offerings by

Canadian issuers (**Canadian foreign-currency fixed income offerings**), that such offerings are generally made primarily outside of Canada. Accordingly, the Filers believe that the denomination of an offering of debt securities in a foreign currency will be a reasonable proxy for determining whether the offering was originally made primarily outside of Canada.

“Tim Moseley”
Commissioner
Ontario Securities Commission

“Anne Marie Ryan”
Commissioner
Ontario Securities Commission

22. Similarly, the Filers believe, based on their experience with Canadian foreign-currency fixed income offerings, that, to the extent that debt securities that are the subject of such offerings are listed on a stock exchange, they will typically not be listed on a stock exchange situated in Canada. To the extent that foreign-currency-denominated debt securities of a Canadian issuer are listed on a stock exchange situated in Canada, investors will be required to trade such debt securities through an IIROC registered dealer.
23. Each of BCI and BCSL is a “market participant” as defined under subsection 1(1) of the OSA. As a market participant, among other requirements, each of BCI and BCSL is required to comply with the record keeping and provision of information provisions under section 19 of the OSA, which include the requirement to keep such books, records and other documents (a) as are necessary for the proper recording of business transactions and financial affairs, and the transactions executed on behalf of others, (b) as may otherwise be required under Ontario securities law, and (c) as may reasonably be required to demonstrate compliance with Ontario securities laws, and to deliver such records to the OSC if required.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that each of BCI and BCSL complies with the terms and conditions described in section 8.18 of NI 31-103 as if it had made the trades in reliance on an exemption contained in section 8.18.

It is further the decision of the principal regulator that the Exemption Sought shall expire on the date that is the earlier of:

- (a) the date on which amendments to the international dealer exemption in section 8.18 of NI 31-103 come into force that address the ability of international dealers to trade debt securities of Canadian issuers; and
- (b) five years after the date of this decision.

2.1.6 Convergence Blended Finance, Inc.

Headnote

Application for relief from trade confirmation and account statement requirements contained in the securities laws and National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Filer operates an online platform focussed on blended financing for international development projects – Investment is limited to non-individual permitted clients – Filer is not involved in the negotiation, documentation, financing and transaction closing of any investment – relief granted subject to certain terms and conditions – decision is time-limited and will expire in five years.

Applicable Legislative Provisions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36, 147.

Instrument Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 14.12, 14.14, 15.1.

November 21, 2016

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

AND

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

**IN THE MATTER OF
CONVERGENCE BLENDED FINANCE, INC.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for relief from the following:

- a. under Section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**):
 - i. the requirement in Section 14.12 [*Content and delivery of trade confirmation*] of NI 31-103 that a registered dealer that has acted on behalf of a client in connection with a purchase or sale of a security promptly deliver to the client a written confirmation of the transaction setting out certain prescribed information (the **trade confirmation requirement**); and
 - ii. the requirement in Section 14.14 [*Account statements*] of NI 31-103 that a registered dealer deliver to a client a statement containing certain prescribed information at least once every three months or, if the client has requested to receive statements on a monthly basis, for each one-month period (the **account statement requirement**); and
- b. under section 147 of the *Securities Act* (Ontario) (the **Act**) and its counterpart in the securities legislation of Québec, from the requirement found in section 36(1) [*Confirmation of trade*] of the Act and its counterpart in the securities legislation of Québec that every registered dealer who has acted as principal or agent in connection with a purchase or sale of a security or derivative shall promptly send or deliver to the customer a written confirmation of the transaction (the **trade confirmation delivery requirement**);

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

- a. the Ontario Securities Commission is the principal regulator for this application;
- b. the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision unless otherwise defined in this decision (the **Decision**).

Representations

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

The Filer

1. The Filer is organized as a not-for-profit corporation under the *Canada Not-for-profit Corporations Act*. The Filer's head office is in Toronto, Ontario.
2. The purposes expressed in the Filer's articles of incorporation are:
 - (a) to facilitate the alignment of capital from public, private and philanthropic actors in global development by providing information, services and resources to these groups on a cost-recovery basis; and
 - (b) to receive and maintain government grants and similar funds, and apply all or part of the principal and income thereafter, from time to time, to organizations that are for- and not-for-profit organizations engaged in global development.
3. The Filer has received initial operational funding from Global Affairs Canada, the department of the Government of Canada responsible for international trade, international development and humanitarian assistance.
4. The mandate of the Filer is to serve as a knowledge broker and accelerator for innovative development finance models for global development projects through establishing an online platform to raise awareness and promote blended financing mechanisms, and to help global investors find and connect with each other to co-invest in blended finance projects that address critical investment gaps in health and education delivery, business growth and infrastructure development support. Blended finance is the strategic use of development finance and philanthropic funds to mobilize private capital flows for global development projects in emerging and frontier markets.
5. To carry out its mandate, the Filer offers three services through an online platform:
 - (a) The Market Building Tools are intended for educational purposes to increase understanding of and share knowledge of blended finance, including training, workshops, a database of past blended finance deals and their financial and social performance, and a directory of advisors and other service providers experienced in supporting blended finance.
 - (b) The New Product Design Facility is intended to allow global participants to design and to collaborate on the design of new blended finance products, to share design learnings and best practices, and to provide research grants to participants to design new blended finance products or to test and enhance existing blended finance products suitable for scaling, without being linked to live investment projects seeking funding.
 - (c) The Investment Network is intended to enable parties seeking funding world-wide for potential projects, on the one hand, and global public and private investors, on the other hand, to identify and connect with one another online.
6. As the Filer is based in Ontario and its Investment Network involves the facilitation of trades in securities of issuers to investors in Ontario and Quebec, among other foreign jurisdictions, the Filer is seeking registration as a restricted dealer in the provinces of Ontario and Quebec.
7. The Filer is not in default of securities legislation in any province or territory in Canada.

Access to the online platform

8. The Filer will allow any individual or institution access to the New Product Design Facility and the Market Building Tools.
9. The Filer will limit access to the Investment Network to investors who:
 - (a) are not individuals;
 - (b) where such investors are resident in Canada, are “permitted clients”, as defined in section 1.1 of NI 31-103;
 - (c) where such investors are in a foreign jurisdiction, are non-individual sophisticated institutions, government agencies or philanthropic investors;
 - (d) have been in existence for at least 2 years; and
 - (e) if not a well-known investor in emerging and frontier markets, have a referral from existing users on the Investment Network.
10. As a condition to gaining access to the Investment Network, the Filer will require all potential investors:
 - (a) to provide information sufficient to permit the Filer to take reasonable steps to verify each investor’s status as a non-individual permitted client, if resident in Canada, or as a permitted investor under the applicable laws of the investor’s home foreign jurisdiction; and
 - (b) to waive in writing the suitability obligations of the Filer, as permitted by sections 13.2(6) and 13.3(4) of NI 31-103.
11. The Filer has established, maintains and applies policies and procedures reasonably designed to ensure that access to the Investment Network is limited to non-individual permitted clients or the equivalent permitted investors in foreign jurisdictions.

Investment projects

12. Investment projects will be limited to those within Convergence’s mandate described in paragraph 4.
13. The party seeking funding for the project (a **Deal Sponsor**) will apply to the Filer to post an investment project on the Investment Network.
14. Prior to submitting an application for the investment project to be posted on the Investment Network, the Deal Sponsor will acknowledge that it is responsible for ensuring any eventual financing will be made in compliance with all applicable laws.
15. In order for an investment project to be posted on the Investment Network, the projects are reviewed by the Filer for the following criteria:
 - (a) is a blended finance deal;
 - (b) is intended to have an environmental, social or governance impact;
 - (c) has provided the information satisfactory to the Filer for a project posting;
 - (d) has a Deal Sponsor;
 - (e) is seeking a minimum total investment of USD\$5 million;
 - (f) will not be listed on a “marketplace”, as defined in NI 31-103; and
 - (g) has an investor identified in the posted project description (an Anchor Investor) that has invested in or has indicated that it is prepared to make an initial investment in, the investment project.
16. If a project meets the criteria specified in paragraph 15, the Filer posts the project on the Investment Network.

17. The Deal Sponsor has the ability to edit information about the project posted on the Investment Network. Any subsequent changes to the deal description posted on the Investment Network are monitored and reviewed by the Filer.

Investment Process

18. Investors will be able to view potential projects posted to the Investment Network on a personalized dashboard and will be able to filter project opportunities using a variety of objective project criteria, including size, type of financing required, sector, geography, and other criteria.
19. In addition, investors may elect to receive automated e-mail notifications when opportunities which meet their filtered project criteria (as described above) are posted to the Investment Network.
20. The Filer will not make any recommendations or referrals to investors, including any recommendations or referrals based on investors' expressed filter preferences, nor will it make any recommendations or referrals to Deal Sponsors, including any recommendations or referrals based on their project criteria.
21. A Deal Sponsor will be able to communicate with and contact investors identified through the Investment Network to present a sponsored project directly.
22. Initial messages between Investment Network participants will be hosted through the Investment Network to a participant's dashboard, but replies to initial messages and subsequent related messaging will take place outside the Investment Network system on the participants' regular email. The Filer will monitor any communications that take place on the platform.
23. After indicating an initial expression of interest, investors may engage in direct communication with Deal Sponsors outside of the platform. If a Deal Sponsor and an investor decide to proceed with an investment, negotiation, documentation, financing and transaction closing will occur between investors and the Deal Sponsor directly. The Filer has no involvement in negotiation, execution or funding of a project posted on the Investment Network.
24. Investors will have access to a wide range of tools outside of the Investment Network platform to help them structure and execute blended finance transactions. These tools include checklists and a secure space where investors and Deal Sponsors can share documents, such as an on-line repository of project information and due diligence materials provided by the Deal Sponsor. Deal Sponsors and investors are not required to use these tools.
25. Apart from facilitating the initial contact between investors and Deal Sponsors, the Filer does not provide any financial services to any persons.
26. The Filer does not promote any investment or provide any advice on the suitability of any investment opportunities, nor does it carry on any other advising activity.
27. The Filer does not engage in any direct trading or settlement of securities in respect of any particular securities offerings.
28. The Filer does not act as an underwriter, on either a firm commitment or agency basis.
29. The Filer will not hold any investor or issuer funds or other client assets of any kind at any time, either in connection with an offering of securities or otherwise.
30. The Filer will conduct periodic reviews of the Investment Network to ensure that all projects on the Investment Network are active and seeking investment.
31. The Filer intends to charge users fees for access to some of its service offerings, but will not charge nor earn commissions, transaction-based compensation or incentive fees in connection with projects posted on the Investment Network or investments that it has facilitated.
32. The Filer receives seed capital, funding for grants and financial support for its operations from the Government of Canada. The Filer also received funding and grants from international philanthropic organizations.
33. As a not-for-profit corporation, the Filer's activities are required to be carried on without the purpose of gain for its members, and any profits or other accretions to the Filer are to be used in furtherance of its purposes.
34. Members of the Filer's Board of Directors serve without remuneration.

35. The Filer has established, maintains and applies policies and procedures that establish a system of controls and supervision sufficient to
- (a) provide reasonable assurance that the Filer and each individual acting on its behalf complies with securities legislation; and
 - (b) manage the risks associated with its business in accordance with prudent business practices.

Relief from trade confirmation, account statement and trade confirmation delivery requirements

36. The Filer submits that compliance with the trade confirmation requirement, the account statement requirement, and the trade confirmation delivery requirement are unnecessary in the circumstances and would impose an undue regulatory burden on the Filer and that the cost of such compliance would outweigh the benefits to its investors.
37. The trade confirmation requirement in Section 14.12 of NI 31-103 applies to “a registered dealer that has acted on behalf of a client in connection with a purchase or sale of a security”.
38. Unlike a conventional dealer, the Filer does not act on behalf of investors as clients in connection with a purchase or sale of securities, since:
- (a) the Filer’s role is generally limited to providing an online introductory platform whereby potential investors may be made aware of potential investment projects meeting the investor’s self-selected criteria;
 - (b) the Filer does not act on behalf of any investor as a client in connection with that investor’s purchase or sale of any securities and has no involvement in negotiation, execution or funding of a project posted on the Investment Network; and
 - (c) the Filer does not hold or have access to any investor or issuer funds or securities.

Decision

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

The decision of the Decision Makers under the Legislation is that the trade confirmation delivery requirement is granted, provided that and for so long as:

- (a) unless otherwise exempted by this Decision or by a further decision of the Decision Makers, the Filer complies with all of the registration requirements of a registered dealer and to a registered individual under Ontario securities laws, including the Act and NI 31-103, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on the Filer;
- (b) the Filer will deal fairly, honestly and in good faith with users of the platform.
- (c) the Filer has its head office in Ontario or Québec;
- (d) the Filer remains a not-for-profit corporation under the *Canada Not-for-profit Corporations Act*;
- (e) the Filer’s primary source of operational funding is from governments or philanthropic organizations;
- (f) the Filer’s mandate remains focused on blended finance for global development projects in emerging and frontier markets;
- (g) the Filer ensures that access to the Investment Network is limited in Canada to non-individual permitted clients or in foreign jurisdictions to sophisticated institutions, government agencies or philanthropic investors who, in each case, waive the requirement for the Filer to conduct a suitability assessment, in accordance with section 13.3(4) of NI 31-103;
- (h) where the Filer charges user fees, the Filer charges access fees and does not receive any commissions or transaction-based fees or incentive fees for its services;
- (i) neither the Filer nor any representative of the Filer provides a recommendation or advice to any investor in connection with an offering of securities or potential offering of securities;

Decisions, Orders and Rulings

- (j) the Filer is not involved in the negotiation, documentation, financing and transaction closing of any investment;
- (k) the Filer does not hold, handle or have access to any funds or securities of any investor or issuer;
- (l) the Filer does not engage in any direct trading or settlement of securities in respect of any particular securities offering;
- (m) the Filer does not act as an underwriter, on either a firm commitment or agency basis; and
- (n) this Decision shall expire on the earlier of:
 - (i) five years after the date hereof; and
 - (ii) 90 days after any material change in the Filer's business.

"Monica Kowal"
Vice Chair
Ontario Securities Commission

"D. Grant Vingo"
Vice Chair
Ontario Securities Commission

The decision of Director under the Legislation is that the trade confirmation requirement and the account statement requirement are granted, provided that and for so long as:

- (a) the Filer complies with the terms and conditions of the Decision with respect to the relief from the trade confirmation delivery requirement as set forth above.
- (b) this Decision shall expire on the earlier of:
 - (i) five years after the date hereof; and
 - (ii) 90 days after any material change in the Filer's business.
- (c) this Decision may be amended by the Director from time to time upon prior written notice to the Filer.

"Marriane Bridge"
Deputy Director
Ontario Securities Commission

2.1.7 ECN Capital Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the requirements of paragraph 2.2(d) of National Instrument 44-101 Short Form Prospectus Distributions requiring an issuer to have current annual financial statements and a current AIF in order to be eligible to file a short form prospectus.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2(d), 8.1.

October 31, 2016

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

AND

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

AND

IN THE MATTER OF
ECN CAPITAL CORP.
(ECN Capital or the Filer)

DECISION

Background

The securities regulatory authority in Ontario (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from:

Section 2.2(d) of National Instrument 44-101 – *Short-Form Prospectus Distributions (NI 44-101)* (the **Short Form Prospectus Issuer Exemption Sought**), which requires the Filer to have “current annual financial statements” and a “current AIF”, as such terms are defined in NI 44-101, in at least one jurisdiction in which the Filer is a reporting issuer, in order to satisfy the qualification criteria for short form prospectus eligibility in respect of any prospectus filed by the Filer (the **AIF and Annual Financial Statement Requirement**).

Furthermore, the Decision Maker has received a request from the Filer for a decision that the Application and this decision be kept confidential and not be made public until the earlier of: (a) the date on which the Filer issues a news release announcing that the Filer has entered into an agreement relating to an offering of securities under a preliminary short form prospectus or a short form prospectus; (b) the date on which the Filer otherwise publicly announces an offering of securities under a preliminary short form prospectus or a short form prospectus; (c) the date on which the Filer files a preliminary short form prospectus or a short form prospectus relating to an offering of securities; (d) the date on which the Filer files a preliminary short form base shelf prospectus or a short form base shelf prospectus relating to the qualification of securities of the Filer; (e) the date on which the Filer files a notice declaring its intention to be qualified to file a short form prospectus; (f) the date on which the

Filer advises the principal regulator that there is no longer any need for the Application and the decision document to remain confidential; and (g) the date that is 90 days after the date of the decision document (the **Confidentiality Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) The Ontario Securities Commission is the principal regulator for the Application; and

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

Interpretation

Terms defined in National Instrument 14-101 – *Definitions* or NI 44-101 have the same meanings if used in this decision, unless otherwise defined herein.

Representations

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

The Filer

1. The Filer is incorporated under the *Business Corporations Act* (Ontario).
2. The principal and head office of the Filer is located in the City of Toronto in the Province of Ontario.
3. The financial year end of the Filer is December 31.
4. On July 22, 2016, ECN Capital was incorporated under the *Business Corporations Act* (Ontario) to carry out the Element Arrangement (as defined herein). Prior to the Element Arrangement, ECN Capital had no assets or liabilities, conducted no operations and did not issue any shares in its capital stock.
5. ECN Capital's authorized capital consists of an unlimited number of common shares (the **ECN Capital Common Shares**) and an unlimited number of preferred shares.
6. As of October 25, 2016, there are 386,704,197 ECN Capital Common Shares outstanding and there are no preferred shares outstanding. The ECN Capital Common Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) under the symbol "ECN".
7. Pursuant to the Arrangement Agreement (as defined herein), Element Financial Corporation (renamed Element Fleet Management Corp. following completion of the Element Arrangement) (**Element**) completed a spin-out of its commercial finance business to Element shareholders by way of a plan of arrangement, as a result of which the Filer became a reporting issuer in each of the Jurisdictions and the Filer's shares were listed on the TSX.
8. The Filer has a current and complete continuous disclosure record of a reporting issuer except for the AIF and Annual Financial Statement Requirement (as it was formed on July 22, 2016 and has not yet completed a financial year since becoming a reporting issuer).

Element Arrangement

9. On July 25, 2016, Element entered into an arrangement agreement with ECN Capital, INFOR Acquisition Corp. (**IAC**) and 2510204 Ontario Inc. (the **Arrangement Agreement**), pursuant to which Element, among other things, completed a spin-out transaction by way of plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the **Element Arrangement**).
10. Pursuant to the Element Arrangement, the Filer acquired the commercial finance businesses carried on by Element and its affiliates consisting of, among other things, the commercial and vendor finance, the rail finance, and aviation finance businesses, and the assets and liabilities pertaining thereto held by Element and any of its affiliates immediately prior to the effective date of the Element Arrangement (the **Acquired Assets**).
11. Pursuant to the Element Arrangement, each participating shareholder of Element received one ECN Capital Common Share and one common share of Element Fleet Management Corp. for each Element common share held.
12. The Acquired Assets form the primary business of the Filer pursuant to Section 32.1(1)(b) of Form 41-101F1 – *Information Required in a Prospectus (Form 41-101F1)*.
13. In accordance with National Instrument 51-102 – *Continuous Disclosure Obligations (NI 51-102)*, Element prepared and mailed a management information circular dated July 28, 2016 (the **Management Information Circular**) to Element's shareholders.

14. The Ontario Superior Court of Justice (Commercial List) (the **Court**) hearing to obtain the interim order in connection with the Element Arrangement was held on July 28, 2016. Following receipt of such order, the Management Information Circular was provided in connection with the special meeting of shareholders (the **Element Meeting**) to approve, among other matters, the Element Arrangement. At the Element Meeting held on September 20, 2016, Element shareholders approved the Element Arrangement, with 99.5% of shares represented at the Element Meeting voting in favour of the Element Arrangement. The final order of the Court in connection with the Element Arrangement was obtained on September 21, 2016. The effective date and closing of the Element Arrangement was October 3, 2016.
15. The Management Information Circular provides full, true and plain disclosure of all material facts related to the Filer and the Acquired Assets, which themselves have been the subject of continuous disclosure on an ongoing basis in accordance with Element's responsibilities as a reporting issuer in the Jurisdictions. The Management Information Circular includes (i) all of the financial statements which were required to be included in the Management Information Circular by Section 14.2 of Form 51-102F5 – *Information Circular (Form 51-102F5)* and, by extension, Form 41-101F1; and (ii) the information that would have otherwise been required to be included in a current AIF filed by an issuer who owned the Acquired Assets as at, and for the year ended, December 31, 2015. The following relevant ECN Capital financial disclosure was included in the Management Information Circular:
 - a) the ECN Capital interim condensed carve-out combined financial statements as of March 31, 2016 and for the three-month periods ended March 31, 2016 and 2015, together with the related notes thereto, consisting of the: (i) combined statements of financial position as at March 31, 2016 and December 31, 2015; (ii) combined statements of operations for the three-month periods ended March 31, 2016 and 2015; (iii) combined statements of comprehensive income (loss) for the three-month periods ended March 31, 2016 and 2015; (iv) combined statements of net investment as at March 31, 2016 and 2015; and (v) combined statements of cash flows for the three-month periods ended March 31, 2016 and 2015 (the **ECN Capital Q1 Carve-out Financial Statements**)
 - b) management's discussion and analysis of financial condition and results of operations of the Filer in respect of the ECN Capital Q1 Carve-out Financial Statements;
 - c) audited annual carve-out combined financial statements of the Filer for the years ended December 31, 2015, 2014 and 2013, and the audit report thereon and the related notes thereto, consisting of the: (i) combined statements of financial position as at December 31, 2015 and 2014; (ii) combined statements of operations for the years ended December 31, 2015, 2014 and 2013; (iii) combined statements of comprehensive income for the years ended December 31, 2015, 2014 and 2013; (iv) combined statements of net investment as at December 31, 2015, 2014 and 2013; and (v) combined statements of cash flows for the years ended December 31, 2015, 2014 and 2013 (the **ECN Capital Annual Audited Carve-out Financial Statements**);
 - d) management's discussion and analysis of financial condition and results of operations of Filer in respect of the ECN Capital Annual Audited Carve-out Financial Statements (the **ECN Capital Annual Carve-out MD&A**);
 - e) the unaudited *pro forma* consolidated financial statements of the Filer, after giving effect to the Element Arrangement and to the acquisition of IAC (as defined herein) by the Filer, as at and for the three-month period ended March 31, 2016 and as at and for the year ended December 31, 2015, together with the notes and assumptions thereto; and
 - f) the narrative description of ECN Capital and its business, contained in Appendix "L" – "ECN Capital Corp. Following the Arrangements" (the **Alternative AIF Disclosure**).
16. In accordance with Item 14.2 of 51-102F5, the Management Information Circular includes prospectus-level disclosure for the Filer, including financial statements, required under National Instrument 41-101 – *General Prospectus Requirements* and Form 41-101F1, which is the form of prospectus that the Filer would have been eligible to use immediately prior to the sending and filing of the Management Information Circular, for a distribution of securities in the Jurisdictions.
17. A copy of the Management Information Circular was filed on Element's SEDAR profile on August 8, 2016.

IAC Arrangement

18. Pursuant to the Arrangement Agreement, the Filer also agreed, conditional upon completion of the Element Arrangement, to acquire all of the issued and outstanding shares of IAC (other than shares of IAC owned by the Filer or any of its affiliates) in exchange for ECN Capital Common Shares by way of plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the **IAC Arrangement**).

Decisions, Orders and Rulings

19. As the IAC Arrangement would have constituted IAC's "qualifying acquisition" under applicable TSX rules, IAC filed a preliminary long form non-offering prospectus dated August 8, 2016 (the **IAC Preliminary Prospectus**) in each of the Provinces and Territories of Canada in connection with the IAC Arrangement.
20. Pursuant to TSX rules and applicable Canadian securities laws, the IAC Preliminary Prospectus contained disclosure regarding the Filer, as the resulting issuer, assuming completion of the Element Arrangement and IAC Arrangement, required under National Instrument 41-101 – *General Prospectus Requirements* and Form 41-101F1. This disclosure included:
 - a) the ECN Capital Annual Audited Carve-out Financial Statements;
 - b) the ECN Capital Annual Carve-out MD&A;
 - c) the ECN Capital interim condensed carve-out combined financial statements as of June 30, 2016 and for the three- and six-month periods ended June 30, 2016 and 2015, together with the related notes thereto, consisting of the: (i) combined statements of financial position as at June 30, 2016 and December 31, 2015; (ii) combined statements of operations for the three- and six-month periods ended June 30, 2016 and 2015; (iii) combined statements of comprehensive income (loss) for the three- and six-month periods ended June 30, 2016 and 2015; (iv) combined statements of net investment as at June 30, 2016 and 2015; and (v) combined statements of cash flows for the six-month periods ended June 30, 2016 and 2015 (the **ECN Capital Q2 Carve-out Financial Statements**);
 - d) management's discussion and analysis of financial condition and results of operations of the Filer in respect of the ECN Capital Q2 Carve-out Financial Statements (the **ECN Capital Q2 Carve-out MD&A**); and
 - e) the Alternative AIF Disclosure.
21. Following the review of the IAC Preliminary Prospectus by the Decision Maker, as principal regulator, the ECN Capital Annual Carve-out MD&A and the Alternative AIF Disclosure were updated to reflect comments received from the Decision Maker (the **Revised ECN Capital Annual Carve-out MD&A** and the **Revised Alternative AIF Disclosure**, respectively).
22. On September 23, 2016, following the review of the IAC Preliminary Prospectus by the Decision Maker, as principal regulator, and settlement of all comments, IAC filed and obtained a receipt for the final long form non-offering prospectus (the **IAC Prospectus**) which, for greater certainty, contained, among other items, the ECN Capital Annual Audited Carve-out Financial Statements, the Revised ECN Capital Annual Carve-out MD&A, the ECN Capital Q2 Carve-out Financial Statements, the ECN Capital Q2 Carve-out MD&A, and the Revised Alternative AIF Disclosure.
23. On October 12, 2016, the Filer, IAC and Element mutually agreed to terminate the Arrangement Agreement solely as it relates to the IAC Arrangement and the parties' respective rights, duties and obligations thereunder with respect to the IAC Arrangement.

ECN Capital Information and Disclosure

24. In connection with the Element Arrangement, the Filer has filed the following documents on its SEDAR profile:
 - a) the joint press release of the Filer and Element, announcing closing of the Element Arrangement;
 - b) the press release of the Filer, announcing, among other things: (i) the establishment of an initial dividend policy; (ii) the Filer's investment grade ratings from both DBRS Limited and Kroll Bond Rating Agency; and (iii) the determination of the Filer's fair market value;
 - c) the press release of the Filer: (i) announcing the mutual agreement of the Filer, IAC and Element to terminate the IAC Arrangement; and (ii) confirming the Filer's growth and capital strategy;
 - d) a Notice of Change in Corporate Structure of the Filer in connection with the closing of the Element Arrangement; and
 - e) certain excerpts from each of the Management Information Circular and IAC Prospectus, with such additions, deletions, revisions and updates necessary to file such excerpts on a stand-alone basis (which include the addition of glossaries, updating of certain cross-references within documents, the deletion of duplicative disclosure that is otherwise included in other of the ECN Capital Information and Disclosure documents

separately filed), as applicable, that contain applicable information relating to the Filer, including (collectively, the **ECN Capital Information and Disclosure**):

- i) the ECN Capital Annual Audited Carve-out Financial Statements;
- ii) the Revised ECN Capital Annual Carve-out MD&A;
- iii) the ECN Capital Q2 Carve-out Financial Statements;
- iv) the ECN Capital Q2 Carve-out MD&A; and
- v) the Revised Alternative AIF Disclosure.

Qualification to File Short Form Prospectus

- 25. With the completion of the Element Arrangement and the termination of the IAC Arrangement, the Filer believes that it is favourably positioned to access external funding sources and may wish to complete a public offering of its securities in the near term should market conditions permit. In light of the short time frames associated with financings undertaken in current market conditions, and based on input provided to the Filer by investment dealers regarding the need for expedited time periods between the launching and closing of an offering, the Filer wishes to be eligible to file short form prospectuses under NI 44-101. The qualification criteria for short form prospectus eligibility are outlined in Section 2.2 of NI 44-101.
- 26. The Filer satisfies all of the qualification criteria for short form prospectus eligibility in Section 2.2 of NI 44-101, with the exception of Subsection 2.2(d) which requires ECN Capital to have filed “current annual financial statements” and a “current AIF” as such terms are defined in NI 44-101.
- 27. ECN Capital is an electronic filer under National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*.
- 28. ECN Capital is currently a reporting issuer in each of the Jurisdictions.
- 29. ECN Capital has filed with the securities regulatory authority of each of the Jurisdictions all periodic and timely disclosure documents that ECN Capital is required to file in that Jurisdiction: (i) under applicable securities legislation; (ii) pursuant to an order issued by the securities regulatory authority; or (iii) pursuant to an undertaking to the securities regulatory authority.
- 30. The ECN Capital Common Shares are listed on the TSX and the Filer is not an issuer: (i) whose operations have ceased or (ii) whose principal asset is cash, cash equivalents or its exchange listing.
- 31. Pursuant to NI 51-102, the Filer is not required to file annual financial statements nor an AIF until 90 days after the Filer’s first completed financial year, being the year ending December 31, 2016. Therefore, the Filer may wish to file a short form prospectus or short form prospectuses under NI 44-101 prior to the point at which it will meet the AIF and Annual Financial Statement Requirement.
- 32. ECN Capital has filed the ECN Capital Annual Audited Carve-out Financial Statements and the Revised Alternative AIF Disclosure, which contain the Filer’s material information in lieu of the Filer not satisfying the AIF and Annual Financial Statement Requirement under Subsection 2.2(d) of NI 44-101.
- 33. ECN Capital is not eligible for the exemption for new reporting issuers under Subsection 2.7(1) of NI 44-101 because it has not filed a long form prospectus.
- 34. ECN Capital is not eligible for the exemption for successor issuers under Subsection 2.7(2) of NI 44-101 because the Acquired Assets were only a portion of Element’s business prior to the completion of the Element Arrangement.
- 35. Except for not meeting the AIF and Annual Financial Statement Requirement, the Filer would otherwise be qualified to file a prospectus in the form of a short form prospectus pursuant to, and in accordance with, NI 44-101.

Decision

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

Decisions, Orders and Rulings

The decision of the Decision Maker under the Legislation is that the Short Form Prospectus Issuer Exemption Sought is granted, provided that:

- (a) The Filer is not exempt from the requirements in NI 51-102 to file annual financial statements or to file an AIF, within the prescribed period after its financial year end;
- (b) The Filer has not yet been required to file annual financial statements or an AIF under NI 51-102;
- (c) The Filer has not yet filed annual financial statements or an AIF under NI 51-102;
- (d) The Filer includes or incorporates by reference in each preliminary short form prospectus and short form prospectus, if either is filed, the ECN Capital Information and Disclosure that would otherwise have been required to have been included in a current AIF, which for greater certainty includes the Revised Alternative AIF Disclosure;
- (e) The Filer will, prior to the filing by the Filer of “current annual financial statements” and related management’s discussion and analysis for the year ended December 31, 2016, incorporate by reference in any preliminary short form prospectus filed by the Filer the ECN Capital Annual Audited Carve-out Financial Statements and the Revised Capital Annual Carve-out MD&A, in lieu of the “current annual financial statements” and related management’s discussion and analysis for the year ended December 31, 2015;
- (f) If the Filer files a short form prospectus before the Filer’s financial statements for the period ended September 30, 2016 are required to be filed, then the ECN Capital Q2 Carve-out Financial Statements will be incorporated by reference into the Filer’s short form prospectus; and
- (g) If the Filer files a short form prospectus after the Filer’s financial statements for the period ended September 30, 2016 are required to be filed and before the Filer’s financial statements for the year ended December 31, 2016 are required to be filed, then the following financial statements for the interim period ended September 30, 2016 will be included in or incorporated by reference into the Filer’s short form prospectus:
 - i. the unaudited interim condensed carve-out combined financial statements of the Filer as at and for the three- and nine-month periods ended September 30, 2016 and 2015, together with the notes thereto consisting of the: (i) combined statements of financial position as at September 30, 2016 and December 31, 2015; (ii) combined statements of operations for the three- and nine-month periods ended September 30, 2016 and 2015; (iii) combined statements of comprehensive income (loss) for the three- and nine-month periods ended September 30, 2016 and 2015; (iv) combined statements of net investment as at September 30, 2016 and 2015; and (v) combined statements of cash flows for the nine-month periods ended September 30, 2016 and 2015; and
 - ii. the unaudited interim condensed combined financial statements of the Filer as at September 30, 2016 and for the period from July 22, 2016 (the Filer’s date of formation) to September 30, 2016, together with the notes thereto.

Furthermore, the decision of the principal regulator is that the Confidentiality Sought is granted.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Optam Holdings Inc. et al.

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

AND

**IN THE MATTER OF
OPTAM HOLDINGS INC.,
INFINIVEST MORTGAGE
INVESTMENT CORPORATION, and
WADE ROBERT CLOSSON**

ORDER

WHEREAS:

1. On October 18, 2016, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations, in which Staff seeks an order against Optam Holdings Inc. ("Optam"), Infininvest Mortgage Investment Corporation ("Infininvest") and Wade Robert Closson ("Closson") (collectively, the "Respondents"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*;
2. On October 19, 2016, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting November 16, 2016 as the date of the hearing;
3. On November 11, 2016, Staff filed an affidavit of service sworn by Lee Crann on November 10, 2016, describing steps taken by Staff to serve the Respondents with the Notice of Hearing, Statement of Allegations and Staff's disclosure materials;
4. At the hearing on November 16, 2016:
 - a. Staff appeared before the Commission and made submissions;
 - b. the Respondents did not appear or make submissions, although properly served; and
 - c. Staff applied to continue this proceeding by way of a written hearing, in accordance with Rule 11.5 of the 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
5. The Commission is of the opinion that it is in the public interest to make this order.

IT IS ORDERED THAT:

- (a) Staff's application to continue this proceeding by way of a written hearing is granted;
- (b) Staff's materials shall be served and filed no later than November 28, 2016;
- (c) the Respondents' responding materials, if any, shall be served and filed no later than January 16, 2017; and
- (d) Staff's reply materials, if applicable, shall be served and filed no later than January 30, 2017.

DATED at Toronto this 16th day of November, 2016.

"Alan J. Lenczner", Q.C.

"Monica Kowal"
Vice-Chair

2.2.2 Transition Therapeutics Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

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

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

AND

**IN THE MATTER OF
TRANSITION THERAPEUTICS INC.
(the "Applicant")**

**ORDER
(Subsection 1(6) of the OBCA)**

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is incorporated under the OBCA, is an "offering corporation", as defined therein, and has an authorized capital consisting of an unlimited number of common shares (the "**Common Shares**").
2. The head office of the Applicant is located at 101 College Street, Suite 220, Toronto, Ontario, M5G 1L7.
3. On August 31, 2016, the Applicant completed the previously announced statutory plan of arrangement (the "**Plan of Arrangement**") under which OPKO Global Holdings Inc. ("**OPKO**") acquired all of the outstanding shares of the Applicant.
4. As a result of the completion of the Plan of Arrangement, all outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by a sole securityholder, OPKO. The Applicant has no other outstanding securities, including debt securities, aside from the Common Shares.

5. The Common Shares of the Applicant were de-listed from the Toronto Stock Exchange and Nasdaq on August 31, 2016 (the "**De-listing**").
6. Following the De-listing, no securities of the Applicant, including debt securities, are traded in Canada on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
7. The Applicant has no intention to seek public financing by way of an offering of securities.
8. Pursuant to a Decision made on September 27, 2016 by the securities regulatory authorities of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec (the "**Jurisdictions**"), the Applicant has ceased to be a reporting issuer in each of the Jurisdictions.
9. The Applicant is not in default of any of the applicable requirements under the legislation.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

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

DATED at Toronto, Ontario on this 18th day of October, 2016.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.2.3 Migao Corporation – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

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

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

AND

**IN THE MATTER OF
MIGAO CORPORATION
(the "Applicant")**

**ORDER
(Subsection 1(6) of the OBCA)**

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is incorporated under the OBCA, is an "offering corporation", as defined therein, and has an authorized capital consisting of an unlimited number of common shares (the "Common Shares").
2. The head office of the Applicant is located at 1300 – 1500 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6G 2Z6.
3. On September 6, 2016, the Applicant completed the previously announced statutory plan of arrangement (the "Plan of Arrangement") under section 182 of the *Business Corporations Act* (Ontario), pursuant to which 2521416 Ontario Inc., a corporation wholly owned by the Chief Executive Officer of the Applicant, and its affiliates became the only securityholders of the Applicant.
4. As a result of the completion of the Plan of Arrangement, all of the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide. The Applicant has no other outstanding securities, including debt securities, aside from the Common Shares.

5. The common shares of the Applicant were de-listed (the "De-listing") from the Toronto Stock Exchange on September 9, 2016.
6. Following the De-listing, no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
7. The Applicant has no intention to seek public financing by way of an offering of securities.
8. Pursuant to a decision made on October 13, 2016, by the British Columbia Securities Commission, as principal regulator, and the Commission, the Applicant has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer.
9. The Applicant is not in default of any of the applicable requirements under the legislation.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

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

DATED at Toronto, Ontario on this 18th day of October, 2016.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Judith Robertson"
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. the Respondents consented to an extension of the Temporary Order until December 17, 2015, which order was further extended on consent until November 21, 2016;
5. on November 18, 2016, Staff of the Commission appeared before the Commission requesting that the Temporary Order be extended until April 21, 2017 and made submissions, with no one

appearing for the Respondents (the “Extension Request”);

6. the Panel has reserved its decision regarding the Extension Request; and
7. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that the Temporary Order is extended until the Panel issues its decision on the Extension Request or further order of the Commission.

DATED at Toronto, Ontario this 18th day of November, 2016.

“Timothy Moseley”

2.2.5 Ford Floorplan Auto Securitization Trust

Headnote

National Policy 11-206 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).

November 16, 2016

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

AND

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

AND

**IN THE MATTER OF
FORD FLOORPLAN AUTO SECURITIZATION TRUST
(the “Filer”)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) that the Filer has ceased to be a reporting issuer in all 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 passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace, as defined in National Instrument 21-101 *Marketplace Operation*, or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Winnie Sanjoto”
Manager
Corporate Finance
Ontario Securities Commission

2.2.6 Williams Creek Gold Ltd.

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).

November 15, 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
WILLIAMS CREEK GOLD LTD.
(the Filer)**

ORDER

Background

1. The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the 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 subsections 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta and Québec; 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 as if used in this order, unless otherwise defined.

Representations

3. This decision 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 Instruction 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 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

“Robert Kirwin”
Director, Corporate Finance
British Columbia Securities Commission

2.2.7 New Solutions Capital Inc. et al. – s. 17(1)

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

AND

IN THE MATTER OF
NEW SOLUTIONS CAPITAL INC.,
NEW SOLUTIONS FINANCIAL CORPORATION,
NEW SOLUTIONS FINANCIAL (II) CORPORATION,
NEW SOLUTIONS FINANCIAL (III) CORPORATION,
NEW SOLUTIONS FINANCIAL (IV) CORPORATION and
RONALD JAMES OVENDEN

ORDER
(Subsection 17(1) of the Securities Act)

WHEREAS:

1. on September 5, 2012, the Ontario Securities Commission (the “Commission”) issued an order pursuant to clause 11(1)(a) of the *Securities Act* (the “Act”), appointing certain members of Staff of the Commission (“Staff”) to investigate and inquire into, among other things, the affairs of New Solutions Capital Inc., New Solutions Financial Corporation, New Solutions Financial (II) Corporation, New Solutions Financial (III) Corporation, New Solutions Financial (VI) Corporation and Ronald James Ovenden;
2. Staff’s investigation has concluded and there are no remaining proceedings initiated by Staff in relation to this matter;
3. Warren Feldstein and Feldstein LLP apply to the Commission for an order pursuant to subsection 17(1) of the Act authorizing them to make disclosure in relation to certain matters in the context of a proceeding (the “CCAA Proceeding”) under the *Companies’ Creditors Arrangement Act*, RSC, 1985, c C-36 (“CCAA”), with respect to a plan of compromise or arrangement of New Solutions Financial Corporation, New Solutions Financial (II) Corporation, New Solutions Financial (III) Corporation, New Solutions Financial (VI) Corporation, and 2055596 Ontario Limited, which for greater certainty includes the civil action originally brought by MNP Ltd., acting as the monitor in the CCAA Proceeding, against Warren Feldstein and Feldstein LLP and bearing court file number CV-12-9674-00CL;
4. the Commission determined, pursuant to section 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22 and Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168, that this application be heard in writing;
5. Staff does not oppose this application; and

6. the Commission considers it to be in the public interest to make this Order;

IT IS ORDERED pursuant to subsection 17(1) of the Act that Warren Feldstein and Feldstein LLP are authorized to disclose publicly that:

- a. in response to a summons dated November 26, 2012, issued by Staff pursuant to subsection 13(1) of the Act, Warren Feldstein, on behalf of Feldstein LLP, produced Feldstein LLP’s audit working papers and other documents requested by Staff with respect to the audit work performed by Feldstein LLP on behalf of New Solutions Financial Corporation and various subsidiaries for the years 2009, 2010 and 2011; and
- b. in total, Warren Feldstein produced, in response to the summons, approximately 5,000 pages of documents from Feldstein LLP’s audit files.

DATED at Toronto, this 22nd day of November, 2016.

“Timothy Moseley”

2.4 Rulings

2.4.1 R.J. O'Brien & Associates, LLC – s. 38 of the CFA

Headnote

Application to the Commission pursuant to section 38 of the Commodity Futures Act (Ontario) (CFA) for a ruling that the Applicant be exempted from the dealer registration requirement in paragraph 22(1)(a) and the prohibition against trading on non-recognized exchanges in section 33 of the CFA. The Applicant will offer the ability to trade in commodity futures contracts and commodity futures options that trade on exchanges located outside Canada and cleared through clearing corporations located outside of Canada to certain of its clients in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, subject to terms and conditions.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22, 33, 38.
Securities Act, R.S.O. 1990, c. S.5, as am.

Instrument Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.18.

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

AND

**IN THE MATTER OF
R.J. O'BRIEN & ASSOCIATES, LLC**

**RULING & EXEMPTION
(Section 38 of the CFA)**

UPON the application (the **Application**) of R.J. O'Brien & Associates, LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for:

- (a) a ruling of the Commission, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirements in the CFA (as defined below) or the trading restrictions in the CFA (as defined below) in connection with trades in Exchange-Traded Futures (as defined below) on exchanges located outside Canada (**Non-Canadian Exchanges**) where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients (as defined below); and
- (b) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of the trades in Exchange-Traded Futures on behalf of the Permitted Client pursuant to the above ruling;

AND WHEREAS for the purposes of this ruling and exemption (collectively, the **Decision**):

- (i) **"CEA"** means the United States Commodity Exchange Act;
"CFTC" means the United States Commodity Futures Trading Commission;
"dealer registration requirements in the CFA" means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;
"Exchange Act" means the United States Securities Exchange Act of 1934;

"Exchange-Traded Futures" means a commodity futures contract or a commodity futures option that trades on one or more organized exchanges located outside of Canada and that is cleared through one or more clearing corporations located outside of Canada;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"NFA" means the National Futures Association in the United States;

"Permitted Client" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103;

"specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;

"trading restrictions in the CFA" means the provisions of section 33 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 33 of the CFA; and

- (ii) terms used in this Decision that are defined in the *Securities Act* (Ontario) (**OSA**), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

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

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant is a limited liability company organized under the laws of the state of Delaware. Its head office is located at 222 South Riverside Plaza, Suite 900, Chicago, Illinois, 60606.
2. The Applicant provides futures commission merchant (**FCM**) services. FCM services include commodity clearing and execution services to various financial, industrial and agricultural institutions, including affiliates of the Applicant.
3. The Applicant is a privately-held business wholly-owned by the O'Brien family of Chicago, Illinois. The Applicant was founded in 1914 and is based in Chicago, Illinois.
4. R.J. O'Brien & Associates Canada Inc. (**RJO Canada**) is an affiliate of the Applicant. RJO Canada is registered as an investment dealer in each of the provinces of Canada, a FCM in Ontario and Manitoba, a derivatives dealer in Quebec and is a dealer member of the Investment Industry Regulatory Organization of Canada.
5. The Applicant relies on the international dealer exemption in section 8.18 of NI 31-103 in Ontario and therefore is not registered under the OSA.
6. The Applicant obtained relief from the Commissioners on November 22, 2011 exempting the Applicant and its salespersons, directors, officers and employees from section 38 of the CFA and section 3.1 of OSC Rule 91-502 *Trades in Recognized Options*.
7. The Applicant is a registered futures commission merchant with the CFTC and a member of the NFA.
8. The Applicant is a member of the Chicago Mercantile Exchange Group, the US and Europe Intercontinental Exchange, Dubai Mercantile Exchange, CBOE Futures Exchange and Eurex AG.
9. The Applicant is not in default of securities legislation in any jurisdiction in Canada or under the CFA. The Applicant is in compliance in all material respects with U.S. securities and commodity futures laws.
10. Pursuant to its registrations and memberships, the Applicant is authorized to handle customer orders and receive and hold customer margin deposits, and otherwise act as a futures broker, in the United States. Rules of the CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, and comply with other forms of customer protection rules, including rules respecting: know-your-customer obligations, account-opening requirements, anti-money laundering checks, credit checks, delivery of confirmation statements, clearing deposits and initial and maintenance margins. These rules require the Applicant to treat Permitted Clients consistently with the Applicant's U.S. customers with respect to transactions made on U.S. exchanges. With respect to transactions made on U.S. exchanges, in order to protect customers in the

event of the insolvency or financial instability of the Applicant, the Applicant is required to ensure that customer securities and monies be separately accounted for, segregated at all times from the securities and monies of the Applicant and custodied exclusively with such banks, trust companies, clearing organizations or other licensed futures brokers and intermediaries as may be approved for such purposes under the CEA and the rules promulgated by the CFTC thereunder (collectively, the **RJO Approved Depositories**). The Applicant is further required to obtain acknowledgements from any RJO Approved Depository holding customer funds or securities related to U.S.-based transactions or accounts that such funds and securities are to be separately held on behalf of such customers, with no right of set-off against the Applicant's obligations or debts.

11. The Applicant proposes to offer certain of its Permitted Clients in Ontario the ability to trade in Exchange-Traded Futures through the Applicant.
12. The Applicant will execute and clear trades in Exchange-Traded Futures on behalf of Permitted Clients in Ontario in the same manner that it executes and clears trades on behalf of its U.S. clients, all of which are "Eligible Contract Participants" as defined in the CEA. The Applicant will follow the same know-your-customer and segregation of assets procedures that it follows in respect of its U.S. clients. Permitted Clients will be afforded the benefits of compliance by the Applicant with the requirements of the CEA and the regulations thereunder, and the Exchange Act and the regulations thereunder. Permitted Clients in Ontario will have the same contractual rights against the Applicant as U.S. clients of the Applicant.
13. The Applicant will not maintain an office, sales force or physical place of business in Ontario.
14. The Applicant will solicit trades in Exchange-Traded Futures in Ontario only from persons who qualify as Permitted Clients.
15. Permitted Clients of the Applicant will only be offered the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.
16. The Exchange-Traded Futures to be traded by Permitted Clients will include, but will not be limited to, Exchange-Traded Futures for equity index, interest rate, energy, currency, bond, agricultural and other commodity products.
17. Permitted Clients of the Applicant will be able to execute Exchange-Traded Futures orders through the Applicant by contacting the Applicant's global execution desk or by submitting orders electronically via the Applicant's proprietary electronic order routing system. Permitted Clients may also be able to self-execute Exchange-Traded Futures orders electronically via an independent service vendor and/or other electronic trading routing. Permitted Clients may also be able to execute Exchange-Traded Futures orders through third party brokers and then "give up" the transaction for clearance through the Applicant.
18. The Applicant may execute a Permitted Client's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. The Applicant will remain responsible for all executions when the Applicant is listed as the executing broker of record on the relevant Non-Canadian Exchange.
19. The Applicant may perform both execution and clearing functions for trades in Exchange-Traded Futures or may direct that a trade executed by it be cleared through a carrying broker if the Applicant is not a clearing member of the Non-Canadian Exchange on which the trade is executed. Alternatively, the Permitted Client of the Applicant will be able to direct that trades executed by the Applicant be cleared through clearing brokers not affiliated with the Applicant (each a **Non-RJO Clearing Broker**).
20. If the Applicant performs only the execution of a Permitted Client's Exchange-Traded Futures order and "gives-up" the transaction for clearance to a Non-RJO Clearing Broker, such clearing broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under the CFA as applicable. Each such Non-RJO Clearing Broker will represent to the Applicant, in an industry-standard give-up agreement, that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's Exchange-Traded Futures order will be executed and cleared. The Applicant will not enter into a give-up agreement with any Non-RJO Clearing Broker located in the United States unless such clearing broker is registered with the CFTC.
21. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client orders that are submitted to the exchange in the name of the Non-RJO Clearing Broker or the Applicant or, on exchanges where the Applicant is not a member, in the name of another carrying broker. The

Permitted Client of the Applicant is responsible to the Applicant for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the Applicant, the carrying broker or the Non-RJO Clearing Broker is in turn responsible to the clearing corporation/division for payment.

22. Permitted Clients that direct the Applicant to give-up transactions in Exchange-Traded Futures for clearance and settlement by Non-RJO Clearing Brokers will execute the give-up agreements described above.
23. Permitted Clients will pay commissions for trades to the Applicant or the Non-RJO Clearing Broker, or such commissions may be shared by the Applicant with the Non-RJO Clearing Broker.
24. The trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.
25. If the Applicant were registered under the CFA as a "futures commission merchant", it could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.

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

IT IS RULED pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirement set out in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients provided that:

- (a) each client effecting trades in Exchange-Traded Futures is a Permitted Client;
- (b) any Non-RJO Clearing Broker has represented and covenanted to the Applicant that it is or will be appropriately registered or exempt from registration under the CFA;
- (c) the Applicant only executes and clears trades in Exchange-Traded Futures for Permitted Clients on Non-Canadian Exchanges;
- (d) at the time trading activity is engaged in, the Applicant:
 - (i) has its head office or principal place of business in the United States;
 - (ii) is registered as a FCM with the CFTC in good standing;
 - (iii) is a member in good standing with the NFA; and
 - (iv) engages in the business of a FCM in Exchange-Traded Futures in the United States.
- (e) the Applicant has provided to the Permitted Client the following disclosure in writing:
 - (i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures;
 - (ii) a statement that the Applicant's head office or principal place of business is located in Chicago, Illinois, United States of America;
 - (iii) a statement that all or substantially all of the Applicant's assets may be situated outside of Canada;
 - (iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and
 - (v) the name and address of the Applicant's agent for service of process in Ontario;
- (f) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A" hereto;
- (g) The Applicant notifies the Commission of any regulatory action initiated after the date of this Decision in respect of the Applicant, or any predecessors or specified affiliates of the Applicant, by completing and filing with the Commission Appendix "B" hereto within ten days of the commencement of any such action; provided that the Applicant may satisfy this condition by filing with the Commission (i) a copy of any notice filed by the

Applicant pursuant to CFTC Regulation 1.12(k), (l) or (m) at the same time such notice is filed with the CFTC and the NFA, and (ii) on a quarterly basis (A) a copy of the regulatory actions appearing on the Applicant's NFA Background Affiliation Status Information Center (BASIC) page and (B) a copy of any disclosures that would be required to be reported by the Applicant in the Regulatory Disclosures section of the Applicant's Annual Registration Update to the NFA;

- (h) if the Applicant does not rely on the international dealer exemption in section 8.18 of NI 31-103 (the **IDE**), by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 Fees as if the Applicant relied on the IDE;
- (i) by December 1st of each year, the Applicant notifies the Commission of its continued reliance on the exemption from the dealer registration requirement granted pursuant to this Decision by filing Form 13-502F4 *Capital Markets Participation Fee Calculation*;
- (j) this Decision will terminate on the earliest of:
 - (i) such transition period as provided by operation of law, after the effective date of the repeal of the CFA;
 - (ii) six months, or such other transition period as provided by operation of law, after the coming into force of any amendment to Ontario commodity futures law or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and
 - (iii) five years after the date of this Decision.

AND IT IS FURTHER RULED, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant acts in connection with trades in Exchange-Traded Futures on behalf of the Permitted Clients pursuant to the above ruling.

November 18, 2016

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

"Tim Moseley"
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER
EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT (ONTARIO)

1. Name of person or company ("**International Firm**"):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

Name:

E-mail address:

Phone:

Fax:
6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "**Relief Order**"):

 Section 8.18 [*international dealer*]
 Section 8.26 [*international adviser*]
 Other [specify]:
7. Name of agent for service of process (the "**Agent for Service**"):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "**Proceeding**") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.
11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator
 - (a) a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;
 - (b) an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service; and
 - (c) a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

Decisions, Orders and Rulings

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

(Signature of the International Firm or authorized signatory)

(Name of signatory)

(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

(Signature of the International Firm or authorized signatory)

(Name of signatory)

(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

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

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates¹ of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

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

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

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

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

If yes, provide the following information for each action:

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

¹ In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

Decisions, Orders and Rulings

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

Yes _____ No _____

If yes, provide the following information for each investigation:

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

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

Witness

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

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

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

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

2.4.2 HSBC Securities (USA) Inc. – s. 38 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options

Headnote

Application to the Commission pursuant to section 38 of the Commodity Futures Act (Ontario) (CFA) for a ruling that the Applicant be exempted from the dealer registration requirement in paragraph 22(1)(a) and the prohibition against trading on non-recognized exchanges in section 33 of the CFA. The Applicant will offer the ability to trade in commodity futures contracts and commodity futures options that trade on exchanges located outside of Canada and cleared through clearing corporations located outside of Canada to certain of its clients in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Application to the Director for an exemption, pursuant to section 6.1 of OSC Rule 91-502 Trades in Recognized Options (Rule 91-502) exempting the Applicant and its Representatives from the proficiency requirements in section 3.1 of Rule 91-502 for trades in commodity futures options on exchanges located outside of Canada.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22, 23, 38.
Securities Act, R.S.O. 1990, c. S.5, as am.

Rule Cited

Ontario Securities Commission Rule 91-502 Trades in Recognized Options, ss. 3.1, 6.1.

Instrument Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.18.

November 21, 2016

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

AND

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

AND

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 91-502 TRADES IN RECOGNIZED OPTIONS
(Rule 91-502)**

AND

**IN THE MATTER OF
HSBC SECURITIES (USA) INC.**

**RULING & EXEMPTION
(Section 38 of the CFA and Section 6.1 of Rule 91-502)**

UPON the application (the **Application**) of HSBC Securities (USA) Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for:

- (a) a ruling of the Commission, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirements in the CFA (as defined below) or the trading restrictions in the CFA in connection with trades (**Futures Trades**) in Exchange-Traded Futures (as defined below) on exchanges located outside

Canada (**Non-Canadian Exchanges**) where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients (as defined below);

- (b) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client (as defined below) is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of the trades in Exchange-Traded Futures on behalf of the Permitted Client pursuant to the above ruling; and
- (c) an exemption of the Director, pursuant to section 6.1 of OSC Rule 91-502 *Trades in Recognized Options (Rule 91-502)*, exempting the Applicant and its salespersons, directors, officers and employees (the **Representatives**) from section 3.1 of Rule 91-502 in connection with Futures Trades;

AND WHEREAS for the purposes of this ruling and exemption (the Decision):

- (i) **“CFTC”** means the United States Commodity Futures Trading Commission;
“dealer registration requirements in the CFA” means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;
“Exchange-Traded Futures” means a commodity futures contract or a commodity futures option that trades on one or more organized exchanges located outside of Canada and that is cleared through one or more clearing corporations located outside of Canada;
“FINRA” means the Financial Industry Regulatory Authority in the United States;
“HSI” means HSBC Securities (USA) Inc.
“NFA” means the National Futures Association in the United States;
“Permitted Client” means a client in Ontario that is a “permitted client” as that term is defined in section 1.1. of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
“SEC” means the United States Securities and Exchange Commission;
“specified affiliate” has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*;
“trading restrictions in the CFA” means the provisions of section 33 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 33 of the CFA; and
“U.S.” means United States of America; and
- (ii) terms used in the Decision that are defined in the OSA, and not otherwise defined in the Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

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

AND UPON the Applicant having represented to the Commission and the Director as follows:

1. The Applicant is a corporation formed under the laws of the State of Delaware and its head office is located at 452 Fifth Avenue, New York, New York 10018.
2. The Applicant is a wholly-owned subsidiary of HSBC Markets (USA) Inc. and an indirect wholly-owned subsidiary of HSBC North America Holdings Inc., whose ultimate parent is HSBC Holdings plc (**HSBC**).
3. The Applicant provides futures commission merchant (**FCM**) services. FCM services include commodity clearing and execution services to various institutional customers, including affiliates of the Applicant.

4. The Applicant is (a) not in default of securities legislation in any jurisdiction of Canada or under the CFA, subject to the matter to which this Decision relates, and (b) in compliance in all material respects with U.S. securities and commodity futures laws.
5. HSBC Securities (Canada) Inc. (**HSBC Canada**) is an affiliate of the Applicant. HSBC Canada is registered as an investment dealer in each of the provinces of Canada and is a dealer member of the Investment Industry Regulatory Organization of Canada. HSBC Canada is also registered as a derivatives dealer in Québec. HSBC Canada is not currently, but may in the future become, registered as an FCM under the CFA. HSBC Canada does not currently act as a broker with respect to trades in Exchange-Traded Futures.
6. HSBC is one of the world's largest banking and financial services organisations.
7. The Applicant relies on the international dealer exemption in section 8.18 of NI 31-103 in Ontario and therefore is not registered under the OSA.
8. The Applicant is a broker-dealer registered with the SEC, a member of FINRA, a registered FCM with the CFTC and a member of the NFA.
9. The Applicant is a foreign approved participant of the Montréal Exchange and is a member of most U.S. futures and options exchanges, including the Chicago Mercantile Exchange, the Chicago Board of Trade, the New York Mercantile Exchange, the Commodity Exchange Inc. and the Intercontinental Exchange (including ICE Futures U.S.). HSI also trades and/or clears through affiliated or unaffiliated member firms on other exchanges.
10. Pursuant to its registrations and memberships, the Applicant is authorized to handle customer orders and receive and hold customer margin deposits, and otherwise act as a futures execution and clearing broker, in the United States. Rules of the CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions, and comply with other forms of customer protection rules, including rules with respect to know-your-customer obligations, account opening, suitability, anti-money laundering checks, credit checks, delivery of confirmations and statements, clearing deposits and initial and maintenance margin. These rules require the FCM to provide, with respect to transactions made on U.S. and global exchanges, an equivalent level of protection to all of its customers including Permitted Clients. In order to protect customers in the event of the insolvency or financial instability of the Applicant, the Applicant is required to ensure, with respect to transactions executed on all U.S. and global exchanges, that customer securities and monies be separately accounted for, segregated at all times from the securities and monies of the Applicant (and its affiliates) and custodied exclusively with such banks, trust companies, clearing organizations or other licensed futures brokers and intermediaries as may be approved for such purposes under the U.S. *Commodity Exchange Act (CEA)* and the rules promulgated by the CFTC thereunder (the **HSI Approved Depositories**). The Applicant is further required to obtain acknowledgements from any HSI Approved Depository holding customer funds or securities that such funds and securities are to be separately held on behalf of such customers, with no right of set-off against the Applicant's obligations or debts.
11. The Applicant proposes to offer certain of its Permitted Clients in Ontario the ability to trade in Exchange-Traded Futures through the Applicant.
12. The Applicant will execute and clear Futures Trades on behalf of Permitted Clients in Ontario in the same manner that it executes and clears trades on behalf of its U.S. clients, all of which are "Eligible Contract Participants" as defined in the CEA. The Applicant will follow the same know-your-customer, suitability and segregation of assets procedures that it follows in respect of its U.S. clients. Permitted Clients will be afforded the benefits of compliance by HSI with the requirements of the U.S. Commodities Exchange Act and the regulations thereunder, and the U.S. Securities Exchange Act of 1934 and the regulations thereunder. Permitted Clients in Ontario will have the same contractual rights against HSI as U.S. clients of HSI.
13. The Applicant will not maintain an office, sales force or physical place of business in Ontario.
14. The Applicant will solicit trades in Exchange-Traded Futures in Ontario only from persons who qualify as Permitted Clients.
15. Permitted Clients of the Applicant will only be offered the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.
16. The Exchange-Traded Futures to be traded by Permitted Clients will include, but will not be limited to, Exchange-Traded Futures for equity index, interest rate, energy, agricultural and other commodity products.

17. The Applicant will facilitate the execution of Non-Canadian Futures Trades for Permitted Clients by allowing clients to enter orders either through the Applicant's own execution desk or independently through an electronic order routing system.
18. The Applicant may execute a Permitted Client's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. The Applicant will remain responsible for the execution of each such trade.
19. The Applicant may perform both execution and clearing functions for Futures Trades or may direct that a trade executed by it be cleared through a carrying broker if the Applicant is not a clearing member of the Non-Canadian Exchange on which the trade is executed. Alternatively, the Permitted Client will be able to direct that trades executed by the Applicant be cleared through clearing brokers not affiliated with the Applicant in any way (each a **Non-HSI Clearing Broker**).
20. If the Applicant performs only the execution of a Permitted Client's Exchange-Traded Futures order and "gives-up" the transaction for clearance to a Non-HSI Clearing Broker, such clearing broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under the CFA as applicable. Each such non-HSI Clearing Broker will represent to the Applicant, in an industry standard give-up agreement, that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the Permitted Client's Exchange Traded Futures order will be executed and cleared. The Applicant will not enter into a give-up agreement with any Non-HSI Clearing Broker located in the United States unless such clearing broker is registered with the CFTC.
21. As is customary for all Futures Trades, a clearing corporation clearing trades for an exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client orders are submitted to the exchange in the name of the Non-HSI Clearing Broker or the Applicant or, on exchanges where the Applicant is not a member, in the name of another carrying broker. The Permitted Client of the Applicant is responsible to the Applicant for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the Applicant, the carrying broker or the Non-HSI Clearing Broker is in turn responsible to the clearing corporation/division for payment.
22. Permitted Clients that direct the Applicant to give up transactions in Exchange-Traded Futures for clearance and settlement by Non-HSI Clearing Brokers will execute the give-up agreements described above.
23. Permitted Clients will pay commissions for trades to the Applicant or the Non-HSI Clearing Broker and such commissions may be shared.
24. Absent this Decision, the trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.
25. If the Applicant were registered under the CFA as a "futures commission merchant", it could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.
26. Section 3.1 of Rule 91-502 states that any person who trades as agent in, or gives advice in respect of, a recognized option as defined in section 1.1 of Rule 91-502 is required to successfully complete the Canadian Options Course (which has been replaced by the Derivatives Fundamentals Course and the Options Licensing Course).
27. All Representatives who would execute Futures Trades for Permitted Clients have passed the futures and options proficiency examination (i.e., the National Commodity Futures Examination (Series 3)) administered by FINRA.

AND UPON the Commission and Director being satisfied that it would not be prejudicial to the public interest to grant the order requested;

IT IS RULED pursuant to section 38 of the CFA that the Applicant is not subject to the dealer registration requirements set out in the CFA and the trading restrictions in the CFA in connection with Futures Trades where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients provided that:

- (a) each client effecting Futures Trades is a Permitted Client;

- (b) any non-HSI Clearing Broker has represented and covenanted to the Applicant that it is or will be appropriately registered or exempt from registration under the CFA;
- (c) the Applicant only executes and clears Futures Trades for Permitted Clients on Non-Canadian Exchanges;
- (d) at the time trading activity is engaged in, the Applicant:
 - (i) has its head office or principal place of business in the United States;
 - (ii) is registered as a futures commission merchant with the CFTC;
 - (iii) is a member firm of the NFA;
 - (iv) engages in the business of a futures commission merchant in Exchange-Traded Futures in the United States;
- (e) the Applicant has provided to the Permitted Client the following disclosure in writing:
 - (i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures as principal or agent;
 - (ii) a statement that the Applicant's head office or principal place of business is located in New York, New York, United States of America;
 - (iii) a statement that all or substantially all of the Applicant's assets may be situated outside of Canada;
 - (iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and
 - (v) the name and address of the Applicant's agent for service of process in Ontario;
- (f) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A";
- (g) the Applicant notifies the Commission of any regulatory action initiated after the date of this decision in respect of the Applicant, or any predecessors or specified affiliates of the Applicant by completing and filing with the Commission Appendix "B" hereto within ten days of the commencement of any such action; provided that the Applicant may also satisfy this condition by filing with the Commission within ten days of the date of this decision a notice making reference to and incorporating by reference the disclosure made by the Filer pursuant to U.S. federal securities laws that is identified in the FINRA BrokerCheck system, and any updates to such disclosure that may be made from time to time and by providing notification, in a manner reasonably acceptable to the Director, of any filing of a Form BD "Regulatory Action Disclosure Reporting Page";
- (h) if the Applicant does not rely on the international dealer exemption in section 8.18 of NI 31-103 (the **IDE**), by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 Fees as if the Applicant relied on the IDE;
- (i) by December 1st of each year, the Applicant notifies the Commission of its continued reliance on the exemption from the dealer registration requirement granted pursuant to this Decision by filing Form 13-502F4 *Capital Markets Participation Fee Calculation*; and
- (j) this Decision will terminate 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 or the trading restrictions in the CFA; and
 - (iii) five years after the date of this Decision.

AND IT IS FURTHER RULED, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant acts in connection with trades in Exchange-Traded Futures on behalf of the Permitted Clients pursuant to the above ruling.

“Tim Moseley”
Commissioner
Ontario Securities Commission

“Anne Marie Ryan”
Commissioner
Ontario Securities Commission

IT IS THE DECISION of the Director, pursuant to section 6.1 of Rule 91-502, that section 3.1 of Rule 91-502 does not apply to the Applicant and its Representatives in respect of Futures Trades, provided that:

- (a) the Applicant and its Representatives maintain their respective registrations with the CFTC and NFA which permit them to trade commodity futures options in the United States; and
- (b) this Decision will terminate 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 or the trading restrictions in the CFA; and
 - (iii) five years after the date of this Decision.

“Marriane Bridge”
Deputy Director
Compliance and Registrant Regulation Branch

APPENDIX A

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER
EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("**International Firm**"):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

Name:

E-mail address:

Phone:

Fax:
6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "**Relief Order**"):

 Section 8.18 [*international dealer*]
 Section 8.26 [*international adviser*]
 Other [specify]:
7. Name of agent for service of process (the "**Agent for Service**"):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "**Proceeding**") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.
11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator
 - a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;
 - b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service; and
 - c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

Decisions, Orders and Rulings

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

(Signature of the International Firm or authorized signatory)

(Name of signatory)

(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*]
under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

(Signature of the Agent for Service or authorized signatory)

(Name of signatory)

(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal: <https://www.osc.gov.on.ca/filings>

APPENDIX B

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates¹ of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

Yes _____ No _____

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

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

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

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

If yes, provide the following information for each action:

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

¹ In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 – *Registration Information*.

Decisions, Orders and Rulings

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

Yes _____ No _____

If yes, provide the following information for each investigation:

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

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

Witness

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

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

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

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

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
Global Remote Technologies Ltd.	05 October 2016	17 November 2016

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

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 September 2016	30 September 2016	30 September 2016		
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		
Starrex International Ltd.	30 December 2015	11 January 2016	11 January 2016		
Starrex International Ltd.	14 November 2016	25 November 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:

Aphria Inc.
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Prospectus dated November 17, 2016

NP 11-202 Receipt dated November 17, 2016

Offering Price and Description:

\$35,000,000.00 – 8,750,000 Common Shares

Price: \$4.00 per Common Share

Underwriter(s) or Distributor(s):

CLARUS SECURITIES INC.
CORMARK SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION
HAYWOOD SECURITIES INC.
SPROTT PRIVATE WEALTH LP

Promoter(s):

COLE CACCIAVILLANI
JOHN CERVINI

Project #2551906

Issuer Name:

Arizona Mining Inc.
Principal Regulator – British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 16, 2016

NP 11-202 Receipt dated November 16, 2016

Offering Price and Description:

\$36,005,250.00 – 11,805,000 COMMON SHARES

Price: \$3.05 per Common Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Raymond James Ltd.

Promoter(s):

-

Project #2551697

Issuer Name:

Clearpoint Short Term Income Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 9, 2016

NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

Series A, F and I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2552022

Issuer Name:

Dynamic Active Canadian Dividend Fund
Dynamic Active Crossover Bond Fund
Dynamic Active Global Dividend Fund
Dynamic Active Preferred Shares Fund
Dynamic Active U.S. Dividend Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectuses dated November 18, 2016

NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

Series O Units

Underwriter(s) or Distributor(s):

1832 Asset Management L.P.
1832 Asset Management L.P.

Promoter(s):

1832 ASSET MANAGEMENT L.P.

Project #2554469

Issuer Name:

ECN Capital Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated November 15, 2016

NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

\$2,000,000,000.00

Debt Securities

Preferred Shares

Common Shares

Subscription Receipts

Warrants

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2553154

Issuer Name:

Financial 15 Split Corp.
Principal Regulator – Ontario

Type and Date:

Preliminary Short Form Prospectus dated November 17, 2016

NP 11-202 Receipt dated November 17, 2016

Offering Price and Description:

Offering: \$ * – * Preferred Shares and * Class A Shares

Prices: \$ * per Preferred Share and \$ * per Class A Share

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.

CIBC WORLD MARKETS INC.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

BMO NESBITT BURNS INC.

GMP SECURITIES L.P.

CANACCORD GENUITY CORP.

RAYMOND JAMES LTD.

DESJARDINS SECURITIES INC.

MACKIE RESEARCH CAPITAL CORPORATION

MANULIFE SECURITIES INCORPORATED

Promoter(s):

-

Project #2553996

Issuer Name:

Financial 15 Split Corp.
Principal Regulator – Ontario

Type and Date:

Amended and Restated Preliminary Short Form Prospectus dated November 18, 2016 dated November 17, 2016

NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

Offering: \$38, 250,000.00 – 2,040,000 Preferred Shares and 2,040,000 Class A Shares

Prices: \$10.00 per Preferred Share and \$8.75 per Class A Share

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.

CIBC WORLD MARKETS INC.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

BMO NESBITT BURNS INC.

GMP SECURITIES L.P.

CANACCORD GENUITY CORP.

RAYMOND JAMES LTD.

DESJARDINS SECURITIES INC.

MACKIE RESEARCH CAPITAL CORPORATION

MANULIFE SECURITIES INCORPORATED

Promoter(s):

-

Project #2553996

Issuer Name:

Franchise Holdings International, Inc.

Type and Date:

Preliminary Long Form Non-Offering Prospectus dated November 17, 2016

Preliminary Receipted on November 18, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Steven Rossi

Project #2554135

Issuer Name:

GDI Integrated Facility Services Inc.
Principal Regulator – Quebec

Type and Date:

Preliminary Short Form Prospectus dated November 18, 2016

NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

\$25,000,000.00 – 5.00% Convertible Unsecured
Subordinated Debentures
Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
GMP Securities L.P.
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Industrial Alliance Securities Inc.

Promoter(s):

-

Project #2553835

Issuer Name:

Immunovaccine Inc.
Principal Regulator – Nova Scotia

Type and Date:

Preliminary Base Shelf Prospectus dated November 18, 2016

NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

\$50,000,000.00
Preferred Shares
Common Shares
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2554482

Issuer Name:

Klondex Mines Ltd.
Principal Regulator – British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 16, 2016

NP 11-202 Receipt dated November 16, 2016

Offering Price and Description:

\$129,500,000.00 – 25,900,000 Common Shares Issuable
on Exercise of Outstanding Special
Warrants

Price: \$5.00 per Subscription Receipt

Underwriter(s) or Distributor(s):

GMP SECURITIES L.P.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
CLARUS SECURITIES INC.
RBC DOMINION SECURITIES INC.
M PARTNERS INC.
DUNDEE SECURITIES LTD.
HSBC SECURITIES (CANADA) INC.
MACKIE RESEARCH CAPITAL CORPORATION
NATIONAL BANK FINANCIAL INC.
PARADIGM CAPITAL INC.
PI FINANCIAL CORP.
HAYWOOD SECURITIES INC.

Promoter(s):

-

Project #2553853

Issuer Name:

OrganiGram Holdings Inc.
Principal Regulator – New Brunswick

Type and Date:

Preliminary Short Form Prospectus dated November 21, 2016

NP 11-202 Receipt dated November 21, 2016

Offering Price and Description:

\$35,003,000.00 – 9,860,000 Common Shares
Price: \$3.55 per Share

Underwriter(s) or Distributor(s):

DUNDEE SECURITIES LTD.
GMP SECURITIES L.P.
MACKIE RESEARCH CAPITAL
CORPORATION
PI FINANCIAL CORP.
CORMARK SECURITIES INC.

Promoter(s):

-

Project #2553528

Issuer Name:

Premium Brands Holdings Corporation
Principal Regulator – British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 18, 2016

NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

\$100,000,000.00 – 4.60% Convertible Unsecured
Subordinated Debentures

Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Cormark Securities Inc.
Canaccord Genuity Corp.
PI Financial Corp.

Promoter(s):

-

Project #2553373

Issuer Name:

Theratechnologies Inc.
Principal Regulator – Quebec

Type and Date:

Preliminary Short Form Prospectus dated November 18, 2016

NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

\$16,501,300.00 – 5,323,000 Common Shares
Price: \$3.10 per Common Share

Underwriter(s) or Distributor(s):

Mackie Research Capital Corporation
Echelon Wealth Partners Inc.
National Bank Financial Inc.
Laurentian Bank Securities Inc.

Promoter(s):

-

Project #2552685

Issuer Name:

Timmins Gold Corp.
Principal Regulator – British Columbia

Type and Date:

Preliminary Short Form Prospectus dated November 16, 2016

NP 11-202 Receipt dated November 16, 2016

Offering Price and Description:

\$20,020,000.00 – 36,400,000 Units
Price: \$0.55 per Offered Unit

Underwriter(s) or Distributor(s):

NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
PI FINANCIAL CORP.
SCOTIA CAPITAL INC.
TD SECURITIES INC.

Promoter(s):

-

Project #2552434

Issuer Name:

BlueBay Global Investment Grade Corporate Bond Fund
(Canada)

BlueBay Global Sovereign Bond Fund (Canada)

RBC Trend Canadian Equity Fund

Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectuses dated November 14, 2016

NP 11-202 Receipt dated November 17, 2016

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

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

Promoter(s):

RBC Global Asset Management Inc.

Project #2539815

Issuer Name:

Brio Gold Inc.
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated November 17, 2016
NP 11-202 Receipt dated November 17, 2016

Offering Price and Description:

C\$196,484,363.00 – 59,225,957 Outstanding Common Shares Transferable Upon Exercise of 59,225,957 Brio Gold Purchase Rights Distributed by Yamana Gold Inc. and 1,230,770 Outstanding Common Shares
Exercise Price of C\$3.25 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:

Connected Wealth Core Income Class
Connected Wealth Tactical Class
Principal Regulator – Ontario

Type and Date:

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

Offering Price and Description:

Series A and F securities @ net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2539627

Issuer Name:

Falco Resources Ltd.
Principal Regulator – Quebec

Type and Date:

Final Short Form Prospectus dated November 15, 2016
NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

\$32,501,030.00 – 21,029,000 Units; 7,812,500 Flow-Through Common Shares
Price: \$1.07 per Unit; \$1.28 per Flow-Through Share

Underwriter(s) or Distributor(s):

HAYWOOD SECURITIES INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
DESJARDINS SECURITIES INC.
BEACON SECURITIES LIMITED
M PARTNERS INC.

Promoter(s):

-

Project #2547467

Issuer Name:

First Asset Provincial Bond Index ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 dated November 14, 2016 to the Long Form Prospectus dated June 10, 2016
NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2481075

Issuer Name:

First Asset Core Balanced ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 dated November 14, 2016 to the Long Form Prospectus dated January 15, 2016
NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2428757

Issuer Name:

First Asset Global Momentum (CAD hedged) Class ETF
First Asset Global Momentum Class ETF
First Asset Global Value (CAD hedged) Class ETF
First Asset Global Value Class ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 dated November 14, 2016 to the Long Form Prospectus dated February 23, 2016
NP 11-202 Receipt dated November 18, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Asset Fund Corp.
First Asset Investment Management Inc.

Project #2436682

Issuer Name:

Harvest Banks & Buildings Income Fund
Harvest Canadian Income & Growth Fund
Principal Regulator – Ontario

Type and Date:

Amendment #1 dated November 7, 2016 to the Simplified Prospectuses and Annual Information Form dated June 16, 2016

NP 11-202 Receipt dated November 17, 2016

Offering Price and Description:

Series A, Series D, Series F and Series R units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Harvest Portfolios Group Inc.

Project #2486415

Issuer Name:

iAnthus Capital Holdings, Inc.
Principal Regulator – British Columbia

Type and Date:

Final Short Form Prospectus dated November 14, 2016

NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

\$20,002,500.00 – 9,525,000 Units

Price: \$2.10 per Unit

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
BEACON SECURITIES LIMITED

Promoter(s):

Hadley Ford

Project #2545166

Issuer Name:

Invesco Floating Rate Income Fund (Series A, Series D, Series F, Series I, Series P, Series PF and Series PTF)

Invesco Emerging Markets Debt Fund (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)

Trimark Emerging Markets Class (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)*

Trimark Europlus Fund (Series A, Series D, Series F, Series I, Series P, Series PF, Series PTF and Series PTFU)

Trimark Fund (Series A, Series D, Series F, Series H, Series I, Series O, Series P, Series PF, Series PTF, Series PTFU, Series SC, Series T4, Series T6 and Series T8)

Trimark Global Fundamental Equity Class (Series A, Series F, Series FH, Series H, Series I, Series P, Series PF, Series PH, Series PTF, Series T4, Series T6 and Series T8)*

Trimark Global Fundamental Equity Fund (Series A, Series D, Series F, Series H, Series I, Series T4, Series T6 and Series T8)

Trimark International Companies Class (Series A, Series F, Series P, Series PF and Series PTF)*

Trimark International Companies Fund (Series A, Series F and Series I)

(*part of Invesco Corporate Class Inc.)

Principal Regulator – Ontario

Type and Date:

Amendment No. 1 dated November 7, 2016 (amendment no. 1) to the Amended and Restated Simplified Prospectuses dated September 16, 2016, amending and restating the Simplified Prospectuses dated July 29, 2016 and Amendment No. 2 dated November 7, 2016 (together with "amendment no. 1", "amendment no. 2") to the Annual Information Form dated July 29, 2016

NP 11-202 Receipt dated November 16, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2494482

Issuer Name:

Mackenzie Canadian Growth Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 11, 2016
NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

Quadrus series, D5 series, D8 series, H series, H5 series, L series, L5 series, L8 series, N series, N5 series, QF series, and QF5 series securities @ net asset value

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.

Promoter(s):

Mackenzie Financial Corporation

Project #2538654

Issuer Name:

Next Edge Bio-Tech Plus Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 14, 2016
NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

Class A and Class F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Next Edge Capital Corp.

Project #2543232

Issuer Name:

Scotia Money Market Fund (Series A, Series I, Series K, Series M units)
Scotia Premium T-Bill Fund (Series A units)
Scotia Private Short Term Income Pool (Pinnacle Series and Series F units)
Scotia T-Bill Fund (Series A units)
Scotia U.S. \$ Money Market Fund (Series A and Series M units)
Scotia Bond Fund (Series A, Series I and Series M units)
Scotia Canadian Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Conservative Income Fund (Series A units)
Scotia Floating Rate Income Fund (Series I, Series K and Series M units)
Scotia Global Bond Fund (Series A, Series F and Series I units)
Scotia Mortgage Income Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Private American Core-Plus Bond Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Canadian Corporate Bond Pool (Series I, Series K and Series M units)
Scotia Private Canadian Preferred Share Pool (Series I, Series K and Series M units)
Scotia Private Global Credit Pool (Series I units)
Scotia Private High Yield Income Pool (Pinnacle Series, Series F, Series I, Series K and Series M units)
Scotia Private Income Pool (Pinnacle Series, Series F and Series I units)
Scotia Private Short-Mid Government Bond Pool (Series I, Series K and Series M units)
Scotia Private Total Return Bond Pool (Series M units)
Scotia Short Term Bond Fund (Series I, Series K and Series M units)
Scotia U.S. \$ Bond Fund (Series A and Series F units)
Scotia Balanced Opportunities Fund (Series A, Series D and Series F units)
Scotia Canadian Balanced Fund (Series A, Series D and Series F units)
Scotia Diversified Monthly Income Fund (Series A, Series D and Series F units)
Scotia Dividend Balanced Fund (Series A, Series D and Series I units)
Scotia Global Balanced Fund (Series A, Series D and Series I units)
Scotia Income Advantage Fund (Series A, Series D, Series K and Series M units)
Scotia Private Strategic Balanced Pool (Pinnacle Series and Series F units)
Scotia U.S. \$ Balanced Fund (Series A units)
Scotia Canadian Blue Chip Fund (Series A, Series F and Series I units)
Scotia Canadian Dividend Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Canadian Growth Fund (Series A, Series F and Series I units)
Scotia Canadian Small Cap Fund (Series A, Series F, Series I, Series K and Series M units)
Scotia Private Canadian All Cap Equity Pool (Series I units)
Scotia Private Canadian Equity Pool (Series I, Series K and Series M units)

Scotia Private Canadian Growth Pool (Pinnacle Series, Series F and Series I units)	Scotia Canadian Bond Index Fund (Series A, Series D, Series F and Series I units)
Scotia Private Canadian Mid Cap Pool (Pinnacle Series, Series F and Series I units)	Scotia Canadian Index Fund (Series A, Series D, Series F and Series I units)
Scotia Private Canadian Small Cap Pool (Pinnacle Series, Series F, Series I and Series M units)	Scotia International Index Fund (Series A, Series D, Series F and Series I units)
Scotia Private Canadian Value Pool (Pinnacle Series, Series F and Series I units)	Scotia Nasdaq Index Fund (Series A, Series D and Series F units)
Scotia Private Fundamental Canadian Equity Pool (Series I units)	Scotia U.S. Index Fund (Series A, Series D, Series F and Series I units)
Scotia Private North American Dividend Pool (Series K and Series M units)	Scotia Private Options Income Pool (Series I, Series K and Series M units)
Scotia Private Real Estate Income Pool (Series I, Series K and Series M units)	Scotia Selected Income Portfolio (Series A units)
Scotia Private U.S. Dividend Pool (Series I, Series K and Series M units)	Scotia Selected Balanced Income Portfolio (Series A and Series F units)
Scotia Private U.S. Equity Pool (Series I, Series K and Series M units)	Scotia Selected Balanced Growth Portfolio (Series A and Series F units)
Scotia Private U.S. Large Cap Growth Pool (Pinnacle Series, Series F and Series I units)	Scotia Selected Growth Portfolio (Series A and Series F units)
Scotia Private U.S. Mid Cap Growth Pool (Pinnacle Series, Series F, Series I and Series M units)	Scotia Selected Maximum Growth Portfolio (Series A and Series F units)
Scotia Private U.S. Mid Cap Value Pool (Pinnacle Series, Series F, Series I and Series M units)	Scotia Partners Income Portfolio (Series A and Series T units)
Scotia Private U.S. Value Pool (Pinnacle Series, Series F and Series I units)	Scotia Partners Balanced Income Portfolio (Series A, Series F and Series T units)
Scotia Resource Fund (Series A, Series F and Series I units)	Scotia Partners Balanced Growth Portfolio (Series A, Series F and Series T units)
Scotia U.S. Blue Chip Fund (Series A, Series F and Series I units)	Scotia Partners Growth Portfolio (Series A, Series F and Series T units)
Scotia U.S. Dividend Fund (Series A and Series I units)	Scotia Partners Maximum Growth Portfolio (Series A, Series F and Series T units)
Scotia U.S. Opportunities Fund (Series A, Series F and Series I units)	Scotia INNOVA Income Portfolio (Series A and Series T units)
Scotia European Fund (Series A, Series F and Series I units)	Scotia INNOVA Balanced Income Portfolio (Series A and Series T units)
Scotia International Value Fund (Series A, Series F and Series I units)	Scotia INNOVA Balanced Growth Portfolio (Series A and Series T units)
Scotia Latin American Fund (Series A, Series F and Series I units)	Scotia INNOVA Growth Portfolio (Series A and Series T units)
Scotia Pacific Rim Fund (Series A, Series F and Series I units)	Scotia INNOVA Maximum Growth Portfolio (Series A and Series T units)
Scotia Private Emerging Markets Pool (Pinnacle Series, Series I and Series M units)	Scotia Aria Conservative Build Portfolio (Series A and Premium Series units)
Scotia Private International Core Equity Pool (Series I, Series K and Series M units)	Scotia Aria Conservative Core Portfolio (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Private International Equity Pool (Pinnacle Series, Series F and Series I units)	Scotia Aria Conservative Pay Portfolio (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Private International Small to Mid Cap Value Pool (Pinnacle Series, Series F and Series I units)	Scotia Aria Moderate Build Portfolio (Series A and Premium Series units)
Scotia Global Dividend Fund (Series A and Series I units)	Scotia Aria Moderate Core Portfolio (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Global Growth Fund (Series A, Series F and Series I units)	Scotia Aria Moderate Pay Portfolio (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Global Opportunities Fund (Series A, Series F and Series I units)	Scotia Aria Progressive Build Portfolio (Series A and Premium Series units)
Scotia Global Small Cap Fund (Series A, Series F and Series I units)	
Scotia Private Global Equity Pool (Pinnacle Series, Series F and Series I units)	
Scotia Private Global Low Volatility Equity Pool (Series M Units)	
Scotia Private Global Real Estate Pool (Pinnacle Series, Series F and Series I units)	

Scotia Aria Progressive Core Portfolio (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Scotia Aria Progressive Pay Portfolio (Series A, Series TL, Series T, Series TH, Premium Series, Premium TL Series, Premium T Series and Premium TH Series units)
Pinnacle Income Portfolio (Series A units)
Pinnacle Balanced Portfolio (Series A units)
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectuses dated November 14, 2016
NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
Scotia Securities Inc.
Scotia Capital Inc.(for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Pinnacle Class only)
Scotia Capital Inc. (for Pinnacle Class and Class F units)
1832 Asset Management L.P.
Scotia Capital Inc. (for Pinnacle Class and Class F units only)
Scotia Capital Inc. (for Class A and F units only)
Scotia Securities Inc.
Scotia Securities Inc.

Promoter(s):

1832 Asset Management L.P.
Project #2540087

Issuer Name:

MCAP Corporation
Principal Jurisdiction – Ontario

Type and Date:

Preliminary Long Form Prospectus dated May 25, 2016, Amended and Restated Preliminary Long Form Prospectus dated June 10, 2016, and Second Amended and Restated Preliminary Long Form Prospectus dated September 8, 2016
Withdrawn on November 17, 2016

Offering Price and Description:

\$275,000,000.00 – * Common Shares
Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Laurentian Bank Securities Inc.

Promoter(s):

Otera Capital CADCAP Inc.
MCAN Mortgage Corporation
Project #2488767

Issuer Name:

Teranga Gold Corporation
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated November 15, 2016
NP 11-202 Receipt dated November 15, 2016

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
CORMARK SECURITIES INC.
BMO NESBITT BURNS INC.

Promoter(s):

-

Project #2547208

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Brickburn Asset Management Inc.	Investment Fund Manager and Portfolio Manager	November 16, 2016
Voluntary Surrender	E3M Investments Inc.	Investment Dealer	November 16, 2016
New Registration	OmniVita Custom Wealth Management Inc.	Investment Dealer	November 17, 2016
New Registration	J2 Capital Management Inc.	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	November 18, 2016
New Registration	Spruceview Capital Partners LLC.	Portfolio Manager and Exempt Market Dealer	November 21, 2016
New Registration	Equium Capital Management Inc.	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	November 21, 2016
New Registration	Ellementary Capital Ltd.	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	November 15, 2016

This page intentionally left blank

Index

AlarmForce Industries Inc.		
Cease Trading Order	9603	
Aralez Pharmaceuticals Inc.		
Decision	9548	
Avenira Limited		
Decision	9557	
Barclays Capital Inc.		
Decision	9560	
Barclays Capital Securities Limited		
Decision	9560	
Brickburn Asset Management Inc.		
Consent to Suspension (Pending Surrender).....	9689	
Closson, Wade Robert		
Notice from the Office of the Secretary	9540	
Order.....	9575	
Convergence Blended Finance, Inc.		
Decision	9563	
E3M Investments Inc.		
Voluntary Surrender	9689	
ECN Capital Corp.		
Decision	9569	
Ellementary Capital Ltd.		
New Registration	9689	
Equium Capital Management Inc.		
New Registration.....	9689	
Ford Floorplan Auto Securitization Trust		
Order.....	9579	
Global Remote Technologies Ltd.		
Cease Trading Order	9603	
HSBC Securities (USA) Inc.		
Ruling and Exemption – s. 38 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options.....	9592	
Infininvest Mortgage Investment Corporation		
Notice from the Office of the Secretary	9540	
Order.....	9575	
J2 Capital Management Inc.		
New Registration.....	9689	
Kotton, Lance		
Notice from the Office of the Secretary.....	9540	
Temporary Order – ss. 127(7), 127(8).....	9578	
Migao Corporation		
Order – s. 1(6) of the OBCA	9577	
New Solutions Capital Inc.		
Notice from the Office of the Secretary.....	9541	
Order – s. 17(1)	9581	
New Solutions Financial (II) Corporation		
Notice from the Office of the Secretary.....	9541	
Order – s. 17(1)	9581	
New Solutions Financial (III) Corporation		
Notice from the Office of the Secretary.....	9541	
Order – s. 17(1)	9581	
New Solutions Financial (IV) Corporation		
Notice from the Office of the Secretary.....	9541	
Order – s. 17(1)	9581	
New Solutions Financial Corporation		
Notice from the Office of the Secretary.....	9541	
Order – s. 17(1)	9581	
OmniVita Custom Wealth Management Inc.		
New Registration	9689	
Optam Holdings Inc.		
Notice from the Office of the Secretary.....	9540	
Order	9575	
OSC Staff Notice 52-723 – Office of the Chief Accountant Financial Reporting Bulletin		
Notice	9539	
Ovenden, Ronald James		
Notice from the Office of the Secretary.....	9541	
Order – s. 17(1)	9581	
Performance Sports Group Ltd.		
Cease Trading Order	9603	
R.J. O'Brien & Associates, LLC		
Ruling and Exemption – s. 38 of the CFA.....	9582	
Spruceview Capital Partners LLC.		
New Registration	9689	
Starrex International Ltd.		
Cease Trading Order.....	9603	
Sun Life Global Investments (Canada) Inc.		
Decision	9553	

Titan Equity Group Ltd.

Notice from the Office of the Secretary9540
Temporary Order – ss. 127(7), 127(8)9578

Transition Therapeutics Inc.

Order – s. 1(6) of the OBCA.....9576

VersaBank

Decision9543

Williams Creek Gold Ltd.

Order.....9580