The Ontario Securities Commission

OSC Bulletin

February 2, 2017

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

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 CSA Staff Notice 23-317 – Order Protection Rule: Market Share Threshold for the period April 1, 2017 to March 31, 2018

CSA Staff Notice 23-317
Order Protection Rule: Market Share Threshold for the period April 1, 2017 to March 31, 2018

January 30, 2017

Introduction

On June 20, 2016, the Canadian Securities Administrators (the **CSA** or **we**) published a notice[1] (the **2016 Notice**) regarding the implementation of the market share threshold. The 2016 Notice included the list of protected and unprotected marketplaces for the period October 1, 2016 to March 31, 2017.

In the 2016 Notice we indicated that, in early 2017, the market share of each marketplace will be recalculated based on trading data from the first to last trading day of 2016, and we will publish an updated list of protected and unprotected marketplaces in January 2017. The updated list will be in effect from April 1, 2017 to March 31, 2018.

The text of this notice is available on the websites of the CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.nssc.novascotia.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

Purpose

The purpose of this notice is to provide the list of marketplaces that display protected orders (**protected marketplaces**) and marketplaces whose orders will not be protected (**unprotected marketplaces**) for the purposes of National Instrument 23-101 *Trading Rules* (**NI 23-101**) and the order protection rule (**OPR**) for the period April 1, 2017 to March 31, 2018 because they do not:

(i) provide automated trading functionality as they have an intentional order processing delay, and/or

(ii) meet the market share threshold.

The market share threshold has been set at 2.5%.[2]

OPR Requirements

Section 6.1 of NI 23-101 requires marketplaces to establish, maintain and ensure compliance with policies and procedures that are reasonably designed to prevent trade-throughs of better priced protected bids and offers. Section 6.4 of NI 23-101 imposes

[1] CSA Staff Notice 23-316 Order Protection Rule: Implementation of the Market Share Threshold and Amendments to Companion Policy 23-101 *Trading Rules*.

[2] CSA Staff Notice 23-316 includes a description of the calculation of the market share threshold.

the same requirement on marketplace participants that assume responsibility for compliance with OPR by entering directed-action orders.

Section 1.1 of NI 23-101 defines protected bids and offers as bids and offers displayed on a marketplace offering automated trading functionality, and about which information is provided to an information processor.

Section 1.1.2.1 of Companion Policy 23-101 *Trading Rules* outlines the circumstances in which a marketplace that introduced an intentional order processing delay would not be considered to be providing automated trading functionality. In those circumstances, the orders on that marketplace would not be protected.

Orders on "dark" marketplaces are not protected as they are not displayed. Therefore, orders on ICX, LiquidNet, MatchNow and Nasdaq CXD are unprotected for the purposes of OPR.[3]

List of Protected and Unprotected Marketplaces

Below we have listed the protected and unprotected marketplaces.

The orders displayed on the marketplaces listed in Table 1 below are protected because either the marketplace meets the market share threshold and/or the orders are for securities that are listed by and traded on that marketplace:

Table 1 – Marketplaces that Display Protected Orders

Marketplace	Market Share	Status	Reason Protected
CSE	3.20	Protected	Meets market share threshold
Nasdaq CXC	12.61	Protected	Meets market share threshold
Nasdaq CX2	4.69	Protected	Meets market share threshold
OMEGA	5.62	Protected	Meets market share threshold
TSX	52.43	Protected	Meets market share threshold
TSX VENTURE	11.23	Protected	Meets market share threshold
AEQUITAS Lit Book	1.46	Protected for Aequitas-listed securities only	Exchange protected for its listed securities

Orders displayed on the marketplaces listed on Table 2 below will be unprotected because either the marketplace does not provide automated trading functionality, does not meet the market share threshold or does not display orders:

Table 2 – Marketplaces whose Orders Are Unprotected

Marketplace	Market Share	Status	Reason Unprotected
AEQUITAS Neo Book	1.49	Unprotected	Does not provide automated trading functionality
ALPHA	6.74	Unprotected	Does not provide automated trading functionality
AEQUITAS Lit Book	1.46	Unprotected for securities other than Aequitas-listed securities	Does not meet market share threshold
LYNX	0.53	Unprotected	Does not meet market share threshold
ICX		Unprotected	Does not display orders
LIQUIDNET		Unprotected	Does not display orders
MATCHNOW		Unprotected	Does not display orders
Nasdaq CXD		Unprotected	Does not display orders

[3] Orders on the Aequitas Dark book will also be unprotected after this book is launched.

QUESTIONS

Please refer your questions to any of the following:

Alina Bazavan Senior Analyst, Market Regulation Ontario Securities Commission abazavan@osc.gov.on.ca	Timothy Baikie Senior Legal Counsel, Market Regulation Ontario Securities Commission tbaikie@osc.gov.on.ca
Serge Boisvert Senior Policy Advisor Direction des bourses et des OAR Autorité des marchés financiers serge.boisvert@lautorite.qc.ca	Roland Geiling Derivatives Product Analyst Direction des bourses et des OAR Autorité des marchés financiers Roland.Geiling@lautorite.qc.ca
Kathleen Blevins Senior Legal Counsel, Market Regulation Alberta Securities Commission kathleen.blevins@asc.ca	Sasha Cekerevac Regulatory Analyst, Market Regulation Alberta Securities Commission sasha.cekerevac@asc.ca
Bruce Sinclair Securities Market Specialist British Columbia Securities Commission bsinclair@bcsc.bc.ca	

1.1.2 Notice of Correction – Republication of Sample ETF Facts Document

[Editor's note: The Sample ETF Facts Document, which was published on December 8, 2016 at (2016), 39 OSCB following pages 9956 and 10015, is being republished to correct the omission of "Average return" on the second page of the document. The document follows on unnumbered pages. Bulletin pagination resumes on page 1083.]

XYZ S&P/TSX 60 Index ETF

ETF FACTS
July 30, 20XX
XYZ

This document contains key information you should know about XYZ S&P/TSX 60 Index ETF. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact XYZ ETFs at 1-800-555-5555 or investing@xyzetfs.com, or visit www.xyzetfs.com.

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

Quick facts

Date ETF started	March 31, 20XX
Total value on June 1, 20XX	$220.18 million
Management expense ratio (MER)	0.20%
Fund manager	XYZ ETFs
Portfolio manager	Capital Asset Management Ltd.
Distributions	Quarterly

Trading information

(12 months ending June 1, 20XX)

Ticker symbol	XYZ
Exchange	TSX
Currency	Canadian dollars
Average daily volume	308,000 units
Number of days traded	249 out of 251 trading days

Pricing information

(12 months ending June 1, 20XX)

Market price	$9.50-$13.75
Net asset value (NAV)	$9.52-$13.79
Average bid-ask spread	0.07%

What does the ETF invest in?

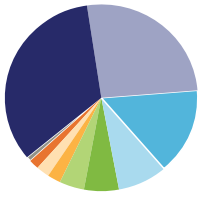
This ETF invests in the same companies and in the same proportions as the S&P/TSX 60 Index. The S&P/TSX 60 Index is made up of 60 of the largest (by market capitalization) and most liquid securities listed on the Toronto Stock Exchange (TSX), as determined by S&P Dow Jones Indices.

The charts below give you a snapshot of the ETF's investments on June 1, 20XX. The ETF's investments will change to reflect changes in the S&P/TSX Index.

Top 10 investments (June 1, 20XX)

1.	Royal Bank of Canada	7.5%
2.	Toronto-Dominion Bank	7.1%
3.	Canadian Natural Resources	5.8%
4.	The Bank of Nova Scotia	4.1%
5.	Cenovus Energy Inc.	3.7%
6.	Suncor Energy Inc.	3.2%
7.	Enbridge Inc.	3.1%
8.	Canadian Imperial Bank of Commerce	2.9%
9.	Manulife Financial Corporation	2.7%
10.	Canadian National Railway Company	1.9%
	Total percentage of top 10 investments	**42.0%**
	Total number of investments	**60**

Investment mix (June 1, 20XX)



Industry

Financial services	33.9%
Energy	26.1%
Materials	15.0%
Industrials	8.2%
Consumer discretionary	5.9%
Telecommunication	4.1%
Healthcare	2.3%
Consumer staples	2.0%
Information technology	1.9%
Media	0.6%

How risky is it?

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility". In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

XYZ ETFs has rated the volatility of this ETF as **medium**. This rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.

LOW	LOW TO MEDIUM	**MEDIUM**	MEDIUM TO HIGH	HIGH

For more information about the risk rating and specific risks that can affect the ETF's returns, see the Risk section of the ETF's prospectus.

No guarantees

ETFs do not have any guarantees. You may not get back the amount of money you invest.

How has the ETF performed?

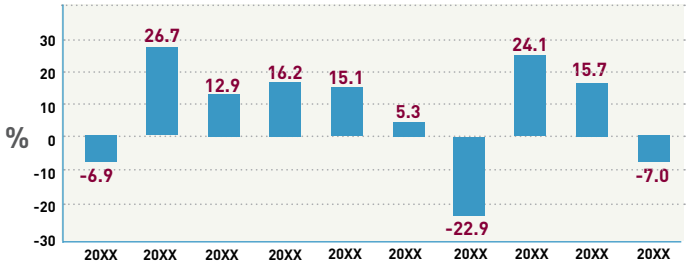
This section tells you how units of the ETF have performed over the past 10 years.

Returns[1] are after expenses have been deducted. These expenses reduce the ETF's returns. This means that the ETF's returns may not match the returns of the S&P/TSX Index.

Year-by-year returns

This chart shows how units of the ETF performed in each of the past 10 years. The ETF dropped in value in 3 of the 10 years.

The range of returns and change from year to year can help you assess how risky the ETF has been in the past. It does not tell you how the ETF will perform in the future.



Best and worst 3-month returns

This table shows the best and worst returns for units of the ETF in a 3-month period over the past 10 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invested $1,000 at the beginning of the period
Best return	32.6%	Apr. 30, 20XX	Your investment would rise to $1,326.
Worst return	-24.7%	Nov. 30, 20XX	Your investment would drop to $753.

Average return

The annual compounded return of the ETF was 6.8% over the past 10 years. A $1,000 investment in the ETF 10 years ago would now be worth $1,930.

Trading ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

Market price

- ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.
- You can get price quotes any time during the trading day. Quotes have two parts: **bid** and **ask**.
- The bid is the highest price a buyer is willing to pay if you want to sell your ETF units. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called the "**bid-ask spread**".
- In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

Net asset value (NAV)

- Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.
- NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market price. A limit order lets you set the price at which you are willing to buy or sell units.

Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

Who is this ETF for?

Investors who:

- are looking for a long-term investment
- want to invest in a broad range of stocks of Canadian companies
- can handle the ups and downs of the stock market.

Don't buy this ETF if you need a steady source of income from your investment.

A word about tax

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

[1] Returns are calculated using the ETF's net asset value (NAV).

How much does it cost?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. Fees and expenses – including any trailing commissions – can vary among ETFs.

Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

1. Brokerage commissions

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

2. ETF expenses

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

As of March 31, 20XX, the ETF's expenses were 0.21% of its value. This equals $2.10 for every $1,000 invested.

	Annual rate (as a % of the ETF's value)
Management expense ratio (MER) This is the total of the ETF's management fee and operating expenses. XYZ ETFs waived some of the ETF's expenses. If it had not done so, the MER would have been higher.	0.20%
Trading expense ratio (TER) These are the ETF's trading costs.	0.01%
ETF expenses	**0.21%**

Trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

This ETF doesn't have a trailing commission.

What if I change my mind?

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

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

For more information

Contact XYZ ETFs or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

XYZ ETFs
456 Asset Allocation St.
Toronto, ON M1A 2B3

Phone: 416.555.5555
Toll-free: 1.800.555.5555
Email: investing@xyzetfs.com
Website: www.xyzetfs.com

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1.2 Notices of Hearing

1.2.1 Investar Investment Ltd. et al. – s. 8

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

AND

IN THE MATTER OF
INVESTAR INVESTMENT LTD.,
LIYUAN QI AND JIAN GUO

NOTICE OF HEARING
(Section 8)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 8 of the *Securities Act*, RSO 1990, c S.5 (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor, on March 20, 2017 at 10:00 a.m., or as soon thereafter as the hearing can be held;

AND TAKE FURTHER NOTICE that the purpose of the hearing is to consider an application made by Investar Investment Ltd., Liyuan Qi and Jian Guo dated January 3, 2017 for a hearing and review of a decision of a Director of the Compliance and Registrant Regulation Branch dated October 17, 2016;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by a representative at the hearing; and

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of the party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 30th day of January 2017.

"Grace Knakowski"
Secretary to the Commission

1.5 Notices from the Office of the Secretary

1.5.1 Investar Investment Ltd. et al.

FOR IMMEDIATE RELEASE
January 31, 2017

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

AND

IN THE MATTER OF
INVESTAR INVESTMENT LTD.,
LIYUAN QI AND JIAN GUO

TORONTO – The Office of the Secretary issued a Notice of Hearing to consider the Application made by Investar Investment Ltd., Liyuan Qi and Jian Guo for a review of a Director's Decision dated October 17, 2016. The hearing will be held on March 20, 2017 at 10:00 a.m. on the 17th floor of the Commission's office located at 20 Queen Street West, Toronto.

A copy of the Application dated January 3, 2017, the Notice of Hearing dated January 30, 2017, and the Order dated January 30, 2017 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Black Panther Trading Corporation and Charles Robert Goddard

FOR IMMEDIATE RELEASE
January 31, 2017

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

AND

IN THE MATTER OF
BLACK PANTHER TRADING CORPORATION
and CHARLES ROBERT GODDARD

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

A copy of the Reasons and Decision dated January 30, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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1.5.3 Thomas Arthur Williams et al.

FOR IMMEDIATE RELEASE
January 31, 2017

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

AND

IN THE MATTER OF
THOMAS ARTHUR WILLIAMS,
GLOBAL WEALTH CREATION OPPORTUNITIES INC.,
GLOBAL WEALTH CREATION OPPORTUNITIES INC. (BELIZE), GLOBAL WEALTH FINANCIAL INC.,
GLOBAL WEALTH CREATION STRATEGIES INC.,
CDN GLOBAL WEALTH CREATION CLUB RW-TW,
2002 CONCEPTS INC.,
SUSAN GRACE NEMETH,
RENEE MICHELLE PENKO,
IRENE G. BEILSTEIN
and DENNIS CARL WEIGEL

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 5:00 p.m. EST on February 9, 2017;

(c) The Respondents' responding materials, if any, shall be served and filed no later than 5:00 p.m. EST on March 9, 2017; and

(d) Staff's reply materials, if applicable, shall be served and file no later than 5:00 p.m. EST on March 23, 2017.

A copy of the Order dated January 30, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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media_inquiries@osc.gov.on.ca

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Biogen Inc.

Headnote

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

Applicable Legislative Provisions

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

January 27, 2017

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
BIOGEN INC.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "**Legislation**") for an exemption (the "**Exemption Sought**") from the prospectus requirement of section 53 of the *Securities Act* (Ontario) in connection with the proposed distribution (the "**Spin-Off**") by the Filer of the shares of common stock ("**Bioverativ Shares**") of Bioverativ Inc. ("**Bioverativ**"), a wholly-owned subsidiary of the Filer, by way of a dividend in specie to holders ("**Filer Shareholders**") of shares of common stock of the Filer ("**Filer Shares**") resident in Canada ("**Filer Canadian Shareholders**").

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated in Delaware with principal executive offices in Cambridge, Massachusetts, U.S.A. The Filer is a biotechnology company that discovers, develops and delivers therapies for people living with serious neurological, autoimmune and rare diseases.

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

3. The authorized capital stock of the Filer consists of 1 billion Filer Shares, U.S.$0.0005 par value per share, and 8 million shares of preferred stock, U.S.$0.001 par value per share. As of December 1, 2016, there were 215,904,010 Filer Shares and no preferred shares issued and outstanding.

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

5. The Filer is subject to the United States *Securities Exchange Act of 1934*, as amended from time to time (the "**1934 Act**"), and the rules, regulations and orders promulgated thereunder.

6. Based on a geographic breakdown snapshot of registered holders prepared for the Filer by Computershare Trust Company, N.A. (the Filer's transfer agent), as of January 3, 2017, (i) there were 2 registered Filer Canadian Shareholders, representing approximately 0.3% of the registered shareholders of the Filer worldwide, and (ii) the registered Filer Canadian Shareholders were holding 44 Filer Shares, representing approximately 0.00002% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

7. Based on a geographic analysis of beneficial shareholders prepared for the Filer by Broadridge Financial Solutions, Inc., as of January 5, 2017, (i) there were 4,874 beneficial Filer Canadian Shareholders, representing approximately 1% of the beneficial holders of Filer Shares worldwide, and (ii) the beneficial Filer Canadian Shareholders were holding approximately 3,478,449 Filer Shares, representing approximately 1.6% of the outstanding Filer Shares. The Filer does not expect these numbers to have materially changed since that date.

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

9. The Filer is proposing to separate, through a series of transactions, its business which focuses on the discovery, research, development, and commercialization of therapies for the treatment of hemophilia and other blood disorders (the "**Bioverativ Business**") into its wholly owned subsidiary, Bioverativ. These transactions, in addition to certain related transactions, are expected to result in the Spin-Off by the Filer, *pro rata* to its shareholders, of 100% of the Bioverativ Shares outstanding immediately prior to such distribution.

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

11. Bioverativ's authorized capital stock is 800 million Bioverativ Shares, par value U.S.$0.001 per share and 50 million shares of preferred stock, par value $0.001 per share. As of the date hereof, all of the issued and outstanding Bioverativ Shares, being 1,000 Bioverativ Shares, are held directly by the Filer, and no other shares or classes of stock of Bioverativ are issued and outstanding.

12. In connection with the Spin-Off, the distribution agent will distribute to each Filer Shareholder entitled to Bioverativ Shares, the number of whole Bioverativ Shares to which the Filer Shareholder is entitled in the form of a book-entry authorization. No fractional Bioverativ Shares will be issued. Instead, the distribution agent will aggregate fractional shares into whole shares, sell such whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds (i.e. net of discounts and commissions) of the sales *pro rata* to each Filer Shareholder who would otherwise have been entitled to receive fractional shares. Interest will not be paid on the amounts of payment made in lieu of fractional Bioverativ Shares.

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

14. Subject to the satisfaction of certain conditions, it is currently anticipated that the Spin-Off will become effective on February 1, 2017. Following the Spin-Off, Bioverativ will cease to be a subsidiary of the Filer.

15. Bioverativ has applied for, and NASDAQ has approved, the listing of Bioverativ Shares to be issued pursuant to the Spin-Off on NASDAQ Global Select Market under the symbol "BIVV".

16. After the completion of the Spin-Off, the Filer Shares will continue to be listed and traded on NASDAQ.

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

18. The Spin-Off will be effected under the laws of the State of Delaware.

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

20. In connection with the Spin-Off, Bioverativ filed with the United States Securities and Exchange Commission (the "**SEC**") a registration statement

on Form 10 dated December 20, 2016 (as amended) under the 1934 Act, detailing the proposed Spin-Off (the "**Registration Statement**"). On December 22, 2016, the SEC completed its review of, and declared effective, the Registration Statement.

21. Filer Shareholders will receive a notice of internet availability or, where required, a hard copy of an information statement with respect to Bioverativ (the "**Information Statement**"), detailing the terms and conditions of the Spin-Off and forming part of the Registration Statement. All materials relating to the Spin-Off sent by or on behalf of the Filer and Bioverativ in the United States (including relating to the Information Statement) will be sent concurrently to Filer Canadian Shareholders.

22. The Information Statement contains prospectus level disclosure about Bioverativ.

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

24. Following the completion of the Spin-Off, Bioverativ will be subject to the requirements of the 1934 Act and the rules and regulations of NASDAQ. Bioverativ will send concurrently to holders of Bioverativ Shares resident in Canada, the same disclosure materials required to be sent under applicable United States securities laws to holders of Bioverativ Shares resident in the United States.

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

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

27. Neither the Filer nor Bioverativ is in default of any securities legislation in any jurisdiction of Canada.

Decision

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

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

"William Furlong"
Commissioner
Ontario Securities Commission

"Janet Leiper"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Minera IRL Limited – s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
MINERA IRL LIMITED

ORDER
(Section 144)

WHEREAS the securities of Minera IRL Limited (the "**Applicant**") are subject to a cease trade order dated October 28, 2015 issued by the Deputy Director, Corporate Finance Branch of the Ontario Securities Commission (the "**Commission**"), pursuant to paragraph 2 of subsection 127(1) of the Act (the "**Ontario Cease Trade Order**"), ordering that all trading in the securities of the Applicant, whether direct or indirect, cease until further order by the Director;

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Ontario Cease Trade Order;

AND WHEREAS the Applicant has applied to the Commission for a full revocation of the Ontario Cease Trade Order (the "Application") pursuant to section 127(4.3) of the Act;

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

1. The Applicant was incorporated in the Cayman Islands on August 27, 2003 as "Goldmin Holdings". On October 20, 2006, the Applicant applied to the Jersey Registrar of Companies for continuance as a company incorporated under the Jersey Companies Law. On October 25, 2006, the Applicant was continued under the Jersey Companies Law and de-registered as a Cayman Islands company. The Applicant is currently a public company incorporated under the Jersey Companies Law, under the name "Minera IRL Limited" registration number 94923. The Applicant's head office is located in Lima, Peru, and its registered office is located in St. Helier, Jersey.

2. The Applicant is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the "**Reporting Jurisdictions**") and is not a reporting issuer under the securities legislation of any other jurisdiction in Canada. The Applicant's principal regulator is the Commission.

3. The authorized capital of the Applicant consists of an unlimited number of ordinary shares without par value (each, an "**Ordinary Share**" and collectively, as a class, the "**Ordinary Shares**"). As of June 1, 2016, the Applicant had 231,135,028 Ordinary Shares issued and outstanding. In addition to its Ordinary Shares, the Applicant has 30,570,000 stock options outstanding, of which 4,570,000 options were issued for the benefit of directors, officers and employees of the Applicant and 26,000,000 were issued for the benefit of Macquarie Bank in connection with the one year extension of a Macquarie Bank financing facility. In addition the Applicant has agreed to issue, subject to regulatory approval, an additional 11,556,751 options to Inversiones y Asesoria Sherpa S.C.R.L. in connection with a bridge loan from Corporacion Financiera de Desarrollo S.A.

4. The Ordinary Shares are listed for trading on the Bolsa de Valores de Lima S.A. (in English, the Lima Stock Exchange, also referred to as "BVL") (BVL:MIRL). The securities of the Applicant are not listed or traded on any other stock exchange or market in Canada or elsewhere.

5. On September 18, 2015, the BVL suspended trading in the Applicant's Ordinary Shares. On September 21, 2015, the TSX and the AIM market of the London Stock Exchange ("**AIM**") suspended trading of the Ordinary Shares due to the Applicant's failure to comply with continuous disclosure requirements. In October of 2015, after the TSX had commenced a 30 day delisting review, the Applicant applied to voluntarily delist its Ordinary Shares from the TSX. The TSX delisted the Applicant's Ordinary Shares effective at the close of trading on November 11, 2015. On March 3, 2016, the Applicant's Nominated Advisor (NOMAD) on AIM gave notice of the termination of its Nominated Advisor and Broker Agreement and the Applicant's Ordinary Shares were delisted from AIM effective at 7:00 a.m. GMT on March 22, 2016.

6. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file with the Commission its interim financial statements for the six-month period ended June 30, 2015 and its management discussion and analysis relating to the interim financial statements for the six-month period ended June 30, 2015 (collectively, the "**Required Filings**").

7. The Applicant is also subject to a cease trade order issued by the British Columbia Securities Commission on October 16, 2015 due to the failure of the Applicant to file the Required Filing (the "**British Columbia Cease Trade Order**").

8. Since the issuance of the Ontario Cease Trade Order, there have been no material changes in the business, operations or capital of the Applicant which have not been disclosed by the Applicant via news release and material change report and filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

9. As of May 9, 2016, the Applicant had filed the Required Filings on SEDAR.

10. The Applicant has paid all outstanding participation fees, filing fees and late fees owing to the Commission, the British Columbia Securities Commission, the Alberta Securities Commission, the Securities Division of the Financial and Consumer Affairs Authority in Saskatchewan, the Manitoba Securities Commission, the Financial and Consumer Services Commission in New Brunswick, the Nova Scotia Securities Commission, the Prince Edward Island Office of the Superintendent of Securities and Service NL in Newfoundland.

11. The Applicant's SEDAR and SEDI profiles are up to date.

12. Other than the Ontario Cease Trade Order and the British Columbia Cease Trade Order, the Applicant is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions.

13. The Applicant held an Annual General Meeting of Shareholders on November 30, 2016.

14. Upon the issuance of this revocation order, the Applicant will issue a news release and file a material change report on SEDAR to announce the revocation of the Ontario Cease Trade Order.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is hereby revoked.

DATED at Toronto, Ontario on this 19th day of January, 2017.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.2.2 Catalyst Paper Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Issuer deemed to be no longer a reporting issuer in Ontario – The issuer is undergoing a restructuring under a plan of arrangement pursuant to the Canada Business Corporations Act – under the plan, the outstanding debt of the issuer will be converted into a loan and equity; it is a condition of the plan that the issuer not be reporting in Canada; shareholders voted to approve the plan; following implementation of the plan, the issuer's only shareholders will be former holders of debt who are sophisticated investors; post-closing issuer has more than 51 securityholders worldwide and fewer than 15 securityholders in each of the jurisdictions of Canada – Decision subject to securities of the issuer being delisted from the TSX.

Applicable Legislative Provisions

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

January 24, 2017

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
CATALYST PAPER CORPORATION
(the Filer)

ORDER

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) (for a dual application):

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Quebec, Prince Edward Island and Newfoundland and Labrador, and

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

Interpretation

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

Representations

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

1. the Filer is a corporation existing under the *Canada Business Corporations Act* (CBCA) with a registered and head office located in Richmond, British Columbia;

2. the Filer is a reporting issuer in each of the provinces of Canada and is not in default of any of its obligations under the securities legislation of any of the provinces of Canada;

3. the Filer is also subject to reporting requirements as a registrant under the United States *Securities Exchange Act of 1934*, as amended;

4. the authorized capital of the Filer consists of an unlimited number of common shares (the Common Shares) and 100,000,000 preferred shares; as at January 11, 2017, there were 14,527,571 issued and outstanding common shares (the Existing Common Shares) and no issued or outstanding preferred shares;

5. the Filer previously issued 11.00% PIK Toggle Senior Secured Notes due 2017 (the Notes) under an indenture dated as of September 13, 2012 (as amended and supplemented from time to time, the Indenture); as of January 11, 2017, there was approximately U.S. $260.5 million in aggregate principal amount of the Notes outstanding;

6. the Filer has no securities issued and outstanding other than the Existing Common Shares and the Notes;

7. the Existing Common Shares are listed on the Toronto Stock Exchange (the TSX) but will be delisted in connection with the Privatization Transaction (as defined below) as further described below;

8. the Notes are not and have never been listed on any exchange; the Notes were initially distributed in connection with a reorganization completed on September 13, 2012 under a plan of compromise and arrangement under the *Companies' Creditors Arrangement Act*;

9. on October 30, 2016, the Filer entered into a support agreement with certain securityholders (collectively, the Supporting Parties) representing approximately 70% of the Filer's outstanding Common Shares and 87% of the Notes in connection with a proposed recapitalization of the Filer (as further described below, the Recapitalization) and in connection with the repurchase for cancellation of the Existing Common Shares of the Filer held by Existing Shareholders (as defined below) immediately prior to the Recapitalization other than the Existing Common Shares held by the Supporting Parties (as further described below, the Privatization Transaction), under which the Supporting Parties undertook to vote the Existing Common Shares held by the Supporting Parties and to vote the Notes held by the Supporting Parties in favor of the Recapitalization and of the Privatization Transaction;

10. additionally, on December 13, 2016, the Filer entered into a support agreement with an additional shareholder of the Filer under which such shareholder agreed to vote all of the Existing Common Shares held by it, representing approximately 9.98% of the issued and outstanding Existing Common Shares, in favor of the Recapitalization and the Privatization Transaction;

11. on December 9, 2016 the Supreme Court of British Columbia (the Court) granted an order (the Interim Order) relating, among other things, to (i) the calling of a meeting (the Shareholders' Meeting) of the holders of Existing Common Shares (the Existing Shareholders) and the calling of a meeting (the Noteholders' Meeting, and together with the Shareholders' Meeting, the Meetings) of the holders of the Notes (the Noteholders) to consider and vote on the Recapitalization and the Privatization Transaction;

12. on December 16 2016, a management information circular (the Information Circular) relating to the Meetings, the Recapitalization and the Privatization Transaction was filed on SEDAR and mailed to the Existing Shareholders and to the Noteholders;

13. the approval and implementation of the Recapitalization and the Privatization Transaction involved the following steps, which are further described below:

    (a) approval of the Plan (as defined below) by the required majorities described below;

    (b) obtaining an order of the Court approving the Plan (the Final Order); and

    (c) the satisfaction or waiver of all conditions precedent to the implementation of the Plan (including, for the implementation of the Privatization Transaction and the payment of the Cash Consideration (as defined below), the Order Sought being obtained);

14. the purpose of the Recapitalization was to significantly reduce the Filer's debt and enhance the Filer's liquidity position, without adversely impacting any of the Filer's trade vendors;

15. the terms and conditions of the Recapitalization were set forth in a plan of arrangement dated December 14, 2016 (as amended, supplemented or restated from time to time, the Plan) implemented under section 192 of the CBCA, which provided for the following principal transactions to occur promptly following the Court granting the Final Order:

    (a) the Notes and all accrued and unpaid interest on the Notes up to but excluding November 1, 2016 were exchanged such that the Noteholders received from the Filer their pro rata share of:

        (i) the principal amount of a new secured term loan (the New Secured Term Loan) in the principal amount of U.S.$135 million plus all accrued and unpaid interest on the Notes accruing on and after November 1, 2016, up to and including the date upon which the Recapitalization becomes effective (the Effective Date); and

        (ii) Common Shares representing approximately 95% of the outstanding Common Shares of the Filer after such issuance; and

    (b) the Notes, the Indenture and all obligations and entitlements related thereto (other than obligations that expressly survive the termination of the Indenture) were irrevocably and finally settled, terminated and satisfied and discharged, without the need for any further payment or otherwise;

16. the New Secured Term Loan will include reporting covenants providing for the distribution of quarterly and annual financial statements of the Filer and other reporting standard for loan agreements, which will be available to the Noteholders receiving their pro rata portion of the New Secured Term Loan in addition to Common Shares issuable under the Plan;

17. approval of the Recapitalization was sought and obtained from the Existing Shareholders and the Noteholders at the Meetings that were held on January 17, 2017;

18. in order to become effective, the Recapitalization was subject to approval by:

    (a) at least two-thirds of the votes cast by the Existing Shareholders present in person or represented by proxy at the Shareholders' Meeting, voting as a single class;

    (b) at least a simple majority of the votes cast by disinterested shareholders in accordance with the rules of the TSX. The votes attached to Common Shares held or controlled by the Supporting Parties were excluded from such vote in accordance with the rules of the TSX, as further described in the Information Circular;

    (c) at least a simple majority of the votes cast by Existing Shareholders present in person or represented by proxy at the Shareholders' Meeting voting as a single class, excluding the votes cast by persons whose votes may not be included in determining minority approval under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (MI 61-101); and

    (d) at least two-thirds of the votes cast by the Noteholders present in person or represented by proxy at the Noteholders' Meeting voting as a single class;

19. the Recapitalization is a related party transaction under MI 61-101 since certain Noteholders are related parties of the Filer for purposes of MI 61-101 who will be issued Common Shares and interests in the New Secured Term Loan under the Recapitalization; the votes attached to Common Shares held or controlled by such related parties were excluded for the purposes of minority approval under MI 61-101; given the existing exclusion of the votes of an additional Supporting Party from the minority approval for the purposes of the rules of the TSX and such additional Supporting Party's interest in the Recapitalization as the largest holder of Notes, the Filer has determined that such additional Supporting Party's vote would also be excluded for the purposes of the minority approval of the Recapitalization under MI 61-101; as a result, a total of 10,115,386 Common Shares held by the Supporting Parties, representing approximately 69.6% of the issued and outstanding Existing Common Shares, were excluded from the majority of minority votes required under MI 61-101 to approve the Recapitalization;

20. under the Privatization Transaction component of the Recapitalization, all Existing Common Shares immediately before the Recapitalization (other than Existing Common Shares held by the Supporting Parties

and dissenting shareholders who validly exercise their dissent rights) will be repurchased for cancellation by the Filer for cash consideration equal to C$0.50 per Common Share (the Cash Consideration);

21. the amount of the Cash Consideration exceeds the value per share determined by PricewaterhouseCoopers LLP (PWC) in a formal valuation provided to the board of directors of the Filer for the purposes of MI 61-101 in the context of the Recapitalization, which concluded that, subject to the limitations, the scope of review and the assumptions set out therein, the fair market value of the Existing Common Shares, as at October 31, 2016, was $NIL;

22. PWC has provided opinions to the independent committee of the board of directors of the Filer and to the board of directors of the Filer to the effect that, as of October 31, 2016: (a) the Recapitalization is fair, from a financial point of view, to the Filer, the minority shareholders of the Filer and the Noteholders, and (b) the Privatization Transaction is fair, from a financial point of view, to the minority shareholders of the Filer;

23. approval of the Privatization Transaction was also sought and obtained as a separate vote at the Shareholders' Meeting;

24. in order to become effective, the Privatization Transaction was subject to approval by:

    (a) a separate vote of at least two-thirds of the votes cast by Existing Shareholders present in person or represented by proxy at the Shareholders' Meeting, voting as a single class; and

    (b) at least a simple majority of the votes cast by Existing Shareholders present in person or represented by proxy at the Shareholders' Meeting, voting as a single class, excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101;

25. the Privatization Transaction is a business combination under MI 61-101 since it is implemented under a statutory arrangement under the CBCA which may result in the termination of shareholders' interests in Existing Common Shares without their consent, and under which the Existing Common Shares held or controlled by certain related parties of the Filer for the purposes of MI 61-101, will not be repurchased; such related parties were therefore entitled to consideration that was different than the consideration which the remaining holders of Existing Common Shares were entitled to receive, and the votes attached to Existing Common Shares held or controlled by such related parties were excluded for the purposes of determining whether minority approval under MI 61-101 has been obtained; the Filer has therefore determined that the votes attached to Common Shares held by an additional Supporting Party entitled to different consideration than the remaining shareholders would also be excluded for the purposes of determining whether minority approval under MI 61-101 has been obtained; as a result, a total of 10,115,386 Common Shares held by the Supporting Parties, representing approximately 69.6% of the issued and outstanding Existing Common Shares, were excluded from the majority of minority votes required under MI 61-101 to approve the Privatization Transaction;

26. completion of the Privatization Transaction and payment of the Cash Consideration is conditional upon receipt of the Order Sought;

27. prior to completion of the Privatization Transaction, the Filer was eligible to cease being a registrant and subject to reporting requirements under the U.S. *Exchange Act of 1934* but had not at this stage implemented the filings to do so in order to preserve its ability to continue to prepare its financial statements in accordance with U.S. GAAP under National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*; a change of GAAP reporting standard would have had a significant cost to the Filer; as a non-reporting private issuer following the implementation of the Plan and the Privatization Transaction, the Filer will be entitled to continue to prepare its financial statements in accordance with U.S. GAAP;

28. concurrently with the receipt of the Order Sought, the Filer intends to file a Form 15 with the U.S. Securities and Exchange Commission (SEC) in order to terminate the registration of its class of Existing Common Shares; the filing of such Form 15 will suspend the reporting obligations of the Filer under the U.S. *Exchange Act of 1934* as of the date of its filing;

29. the Plan was approved by the Court which determined at a hearing held on January 18, 2017 that the Plan was fair and reasonable to the Existing Shareholders and the Noteholders;

30. further to the approval of the Privatization Transaction, the Common Shares will be delisted from the TSX as contemplated in the Information Circular; on January 20, 2017 the TSX issued a bulletin announcing the delisting of the Common Shares effective at the close of business on January 25, 2017;

31. implementation of the Plan is subject to satisfaction or waiver of various conditions precedent set forth therein; assuming satisfaction or waiver of these conditions within the expected time frames, the Filer anticipates implementing the Plan and completing the Recapitalization and the Privatization Transaction before January 31, 2017;

32. except as otherwise provided in the Plan, the transactions to be effected on implementation of the Plan are to occur in the sequence specified therein commencing at 12:01 a.m. on the Effective Date or such other time as the Filer and the initial Supporting Parties may agree (the Effective Time);

33. the Information Circular disclosed the intention of the Filer to apply to the applicable securities regulatory authorities to cease to be a reporting issuer in all jurisdictions where it was a reporting issuer, such that its reporting obligations under the securities legislation of the jurisdictions would terminate in connection with implementation of the Privatization Transaction;

34. the Information Circular also disclosed that in the event that the Privatization Transaction was completed and the Filer ceased to be a reporting issuer, the Common Shares issued under the Plan would be subject to certain resale restrictions under applicable Canadian securities legislation and that Noteholders who would receive Common Shares under the Recapitalization may not be able to freely resell the Common Shares in Canada or to a Canadian resident, unless they can trade or resell the Common Shares pursuant to an exemption from the prospectus requirements of applicable Canadian securities legislation;

35. the Information Circular further disclosed that if the Privatization Transaction was approved and the Order Sought was obtained, the Filer intended to file a Form 15 with the SEC in order to terminate the registration of its class of common shares and its reporting obligations under the U.S. *Exchange Act of 1934*, as amended;

36. following implementation of the Plan and the Privatization Transaction, the Filer will have no outstanding securities other than Existing Common Shares held by the Supporting Parties which will not be repurchased pursuant to the Privatization Transaction and the Common Shares issued to Noteholders in exchange for their Notes;

37. therefore, following implementation of the Plan, the only securityholders of the Filer (Post-Closing Securityholders) will be the Supporting Parties who will continue to hold their Existing Common Shares, and the former Noteholders who receive Common Shares in exchange for their Notes;

38. all of the Supporting Parties who will continue to hold their Existing Common Shares following the Effective Date are sophisticated institutional investors based outside of Canada; such Supporting Parties also hold approximately 87% of the Notes to be exchanged into Common Shares under the Plan;

39. in addition, in accordance with industry practice and custom, the Filer and its agents have obtained geographical searches from Broadridge Financial Solutions Inc. (Broadridge) of its broker/dealer databases relating to the Notes as of December 22, 2016 (the Geographic Report), which provides information as to the number of Noteholders and Notes held in each jurisdiction of Canada, in the United States and elsewhere;

40. the Geographic Report covers 97.7% of the outstanding principal amount of Notes and reports a total of 121 Noteholders holding U.S. $254,590,813 principal amount of Notes, with no residents of Canada being identified as holders of Notes in such Geographic Report;

41. most of the Noteholder accounts identified through the negotiations surrounding the Recapitalization, the Meetings and the proxy collection process are investment funds, and many are members of the same "family of funds" as other identified accounts managed by the same firm; if holdings of Notes attributed to all funds of the same "family" were aggregated and treated as a single account, the total number of identified accounts would be significantly reduced;

42. based on information regarding non-objecting beneficial holders of Notes (NOBOs) available to the Filer as of October 2016, out of approximately 65 NOBO holders of Notes, only six (6) holders of Notes to receive Common Shares were residents of Canada:

    (a) two (2) accounts resident in British Columbia, being two accounts managed by a single investment fund manager/portfolio manager based in British Columbia), holding U.S. $2,500,000 in principal amount of the Notes, representing 0.96% of the principal amount of Notes; and

(b) four (4) accounts resident in Ontario, managed by a total of three (3) registered fund managers/portfolio managers, holding U.S. $8,224,000 principal amount of Notes (representing 3.15% of the total principal amount of Notes outstanding);

43. therefore, the Canadian NOBO holders of Notes collectively held approximately U.S. $10,700,000 principal amount of Notes, representing approximately 4.1% of the outstanding principal amount of the Notes, and therefore hold approximately 3.9% of the Common Shares as of the Effective Date; to the best of the Filer's knowledge, information and belief, following implementation of the Plan and the Privatization Transaction, the Canadian Noteholders are the only holders of Common Shares in the jurisdictions where the Filer is a reporting issuer;

44. therefore, based on diligent inquiries, the Filer has determined that, immediately following implementation of the Plan:

(a) there are up to 121 Post-Closing Securityholders in total, which number would be significantly reduced if Noteholder accounts attributed to funds of the same "family" and understood to be under common management and control are aggregated;

(b) not more than 6 Post-Closing Securityholders are resident in Canada; and

(c) not more than 15 Post-Closing Securityholders are resident in any Canadian jurisdiction;

45. the Order Sought has been applied for in all jurisdictions of Canada in which the Filer is currently a reporting issuer, and if it is granted, the Filer will cease to be a reporting issuer in all jurisdictions of Canada;

46. upon implementation of the Plan, no securities of the Filer, including debt securities, will be traded in Canada or another country on a "marketplace" (as that term is 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;

47. the Filer has no current intention to seek financing by way of public offering of securities in Canada or to distribute securities to the public in Canada;

48. the Filer will promptly issue a news release upon the occurrence of the implementation of the Plan; the news release will specify that the Filer is no longer a reporting issuer as of the Effective Date of implementation of the Plan;

49. the Filer is unable to rely on the simplified procedure set forth in NP 11-206, as the Filer's outstanding securities, following implementation of the Plan, will be beneficially owned, directly or indirectly, by more than 51 securityholders in total worldwide; and

50. the Filer acknowledges that, in granting the Order Sought, the Decision Makers are not expressing any opinion or approval as to the terms of the Plan.

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 effective immediately before the Effective Time on the Effective Date, provided that:

(a) the Common Shares are delisted from the TSX; and

(b) the Effective Date occurs on or before February 28, 2017.

“Peter Brady”
Executive Director
British Columbia Securities Commission

2.2.3 AQM Copper Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

January 25, 2017

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
AQM COPPER INC.
(the Filer)

ORDER

Background

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

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 of the Jurisdictions.

Order

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

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

"Sonny Randhawa"
Deputy Director, Corporate Finance Branch
Ontario Securities Commission

2.2.4 Royal Bank of Canada and The Toronto-Dominion Bank – s. 6.1. of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – issuer proposes to purchase, pursuant to a repurchase program and at a discounted purchase price, up to a specified number of its common shares under its normal course issuer bid from a third party – the third party will abide by the requirements governing normal course issuer bids as though it was the issuer, subject to certain modifications, including that the third party will not make any purchases under the program pursuant to a pre-arranged trade – common shares delivered to the issuer for cancellation will be common shares from the third party's existing inventory – the third party will purchase common shares under the program on the same basis as if the Issuer had conducted the bid in reliance on the normal course issuer bid exemptions set out in securities legislation – no adverse economic impact on, or prejudice to, the Issuer or its security holders – acquisition of securities exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the number of common shares transferred by the third party from its existing inventory to the issuer for purchase under the program be equivalent to the number of common shares that the third party has purchased, or had purchased on its behalf, on Canadian markets.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

IN THE MATTER OF
ROYAL BANK OF CANADA
AND THE TORONTO-DOMINION BANK

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of Royal Bank of Canada (the "**Issuer**") and The Toronto-Dominion Bank ("**TD**", and together with the Issuer, the "**Filers**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 14,185,000 (the "**Program Maximum**") of its common shares (the "**Common Shares**") from TD pursuant to a share repurchase program (the "**Program**");

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

AND UPON the Issuer having represented to the Commission the matters set out in paragraphs 1 to 4, inclusive, 7, 9 to 19, inclusive, 21 to 27, inclusive, 31, 33, 35 to 37, inclusive, 39 and 40;

AND UPON TD and TD Securities Inc. ("**TD Securities**" and together with TD, the "**TD Entities**") having represented to the Commission the matters set out in paragraphs 5 to 10, inclusive, 18, 20 to 22, inclusive, 25 to 32, inclusive, 34, 38, 40 and 41 as they relate to the TD Entities;

1. The Issuer is a Schedule I bank governed by the *Bank Act* (Canada).

2. The Issuer's corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada and its head office is located at 1 Place Ville-Marie, Montreal, Quebec, Canada.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada (the "**Jurisdictions**") and the Common Shares are listed for trading on the TSX, the New York Stock Exchange ("**NYSE**") and the SIX Swiss Exchange under the symbols "RY","RY:US" and "RY", respectively. The Issuer is not in default of any requirement of the securities legislation of the Jurisdictions.

4. The authorized share capital of the Issuer consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of first preferred shares and second preferred shares without nominal or par value,

issuable in series which classes may be issued for a maximum consideration of $20 billion and $5 billion, respectively. As at January 16, 2017, the Issuer had the following shares outstanding:

	Number of shares
Common Shares outstanding	1,485,766,739
First preferred shares outstanding	
Non-cumulative Series W	12,000,000
Non-cumulative Series AA	12,000,000
Non-cumulative Series AB	12,000,000
Non-cumulative Series AC	8,000,000
Non-cumulative Series AD	10,000,000
Non-cumulative Series AE	10,000,000
Non-cumulative Series AF	8,000,000
Non-cumulative Series AG	10,000,000
Non-cumulative Series AJ	13,578,815
Non-cumulative Series AK	2,421,285
Non-cumulative Series AL	12,000,000
Non-cumulative Series AZ	20,000,000
Non-cumulative Series BB	20,000,000
Non-cumulative Series BD	24,000,000
Non-cumulative Series BF	12,000,000
Non-cumulative Series BH	6,000,000
Non-cumulative Series BI	6,000,000
Non-cumulative Series BJ	6,000,000
Non-cumulative Series BK	29,000,000
Non-cumulative Series BM	30,000,000
Non-cumulative Series C-1	3,282,000
Non-cumulative Series C-2	815,400

5. TD is a Schedule I bank governed by the *Bank Act* (Canada). The head office of TD is located in Toronto, Canada.

6. TD Securities Inc. ("**TD Securities**", and together with TD, the "**TD Entities**") is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Yukon, the Northwest Territories and Nunavut. It is also registered as a futures commission merchant under the *Commodity Futures Act* (Ontario), as a derivatives dealer under the *Derivatives Act* (Québec), and as dealer (futures commission merchant) under *The Commodity Futures Act* (Manitoba). TD Securities is a member of the Investment Industry Regulatory Organization of Canada ("**IIROC**") and the Canadian Investor Protection Fund, a participating organization or member of the TSX, TSX Venture Exchange and Canadian Securities Exchange, and an approved participant of the Bourse de Montréal. The head office of TD Securities is located in Toronto, Ontario.

7. Each proposed purchase will be executed and settled in the Province of Ontario.

8. TD does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

9. TD is the beneficial owner of at least 14,185,000 Common Shares, none of which were acquired by, or on behalf of, TD in anticipation or contemplation of resale to the Issuer (such Common Shares over which TD has beneficial ownership, the "**Inventory Shares**"). All of the Inventory Shares are held by TD in the Province of Ontario. No Common Shares were purchased by, or on behalf of, TD on or after December 18, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by TD to the Issuer.

10. TD is at arm's length to the Issuer and is not an "insider" of the Issuer or an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the "**Act**"). TD is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

11. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the "**Original Notice**") which was accepted by the TSX effective May 27, 2016, the Issuer was permitted to make a normal course issuer bid (the "**NCIB**") to purchase up to 20,000,000 Common Shares, representing approximately 1.3% of the Issuer's then outstanding Common Shares. On January 27, 2017, the TSX accepted an amendment to the Original Notice (the "**Amendment**" together with the Original Notice, the "**Notice**") to permit the Issuer to acquire Common Shares through the facilities of the TSX, the NYSE and other designated exchanges and Canadian alternative trading systems, if eligible, or by such other means as may be permitted by the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX Rules**"), or by such other means as may be permitted by the TSX, a securities regulatory authority or applicable securities laws and regulations, including under automatic purchase plans and by private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities.

12. The NCIB is being conducted in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(2) of NI 62-104 (the "**Designated Exchange Exemption**").

13. The NCIB is also being conducted in the normal course on the NYSE and other permitted published markets (collectively with the NYSE, the "**Other Published Markets**") in reliance upon the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104 (the "**Other Published Markets Exemption**", and together with the Designated Exchange Exemption, the "**Exemptions**").

14. Pursuant to the TSX Rules, the Issuer has appointed RBC Dominion Securities Inc. as its designated broker in respect of the NCIB (the "**Responsible Broker**").

15. The Issuer has not established an automatic share repurchase plan in connection with the NCIB.

16. During the course of the NCIB, Common Shares may be purchased by trustees or administrators that are not independent of the Issuer (a "**Plan Trustee**") in the open market to satisfy net requirements of certain employee plans ("**Plan Trustee Purchases**"). The maximum number of Common Shares that the Issuer is permitted to repurchase under the NCIB, being 20,000,000, will be reduced by the number of Plan Trustee Purchases other than Exempted Plan Trustee Purchases (as defined below).

17. Pursuant to relief granted by the TSX, certain of the Issuer's broadly-based, market-sourced, employee-directed employee share purchase plans were exempted from the provisions of the TSX Rules that would deem the plans to have non-independent trustees (the "**Exempted Plans**"). Other than purchases made under the Exempted Plans ("**Exempted Plan Trustee Purchases**"), no Plan Trustee Purchases will be required during the Program Term (as defined below).

18. The Filers wish to participate in the Program during, and as part of, the NCIB to enable the Issuer to purchase from TD, and for TD to sell to the Issuer, that number of Common Shares equal to the Program Maximum.

19. To the best of the Issuer's knowledge the "public float" (calculated in accordance with the TSX Rules) for the Common Shares as at December 31, 2016 consisted of 1,484,477,117 Common Shares. The Common Shares are "highly-liquid securities" as that term is defined in section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* ("**OSC Rule 48-501**") and section 1.1 of the *Universal Market Integrity Rules* ("**UMIR**").

20. Pursuant to the terms of the Program Agreement (defined below), TD Securities has been retained by TD to acquire Common Shares through the facilities of the TSX and on Other Published Markets in Canada (each, a "**Canadian Other Published Market**" and collectively with the TSX, the "**Canadian Markets**") under the Program. No Common Shares will be acquired under the Program on any Other Published Markets other than Canadian Other Published Markets.

21. The Program will be governed by, and conducted in accordance with, the terms and conditions of a Share Repurchase Program Agreement (the "**Program Agreement**") that will be entered into among the Filers and TD Securities prior to

the commencement of the Program and a copy of which will be delivered by the Filers to the Commission promptly thereafter.

22. The Program will terminate on the earlier of March 31, 2017 and the date on which the Issuer will have purchased the Program Maximum under the Program (the "**Program Term**"). Neither the Issuer nor any of the TD Entities may unilaterally terminate the Program Agreement during the Program Term, except in the case of an event of default by a party thereunder or a change in law that would have adverse consequences to the transaction or the Issuer or the TD Entities.

23. At least two clear Trading Days (as defined below) prior to the commencement of the Program, the Issuer will issue a press release that has been pre-cleared by the TSX that describes the material features of the Program and disclose the Issuer's intention to participate in the Program during the NCIB (the "**Press Release**").

24. The Program Maximum will be less than the number of Common Shares remaining that the Issuer is entitled to acquire under the NCIB, calculated as at the date of the Program Agreement.

25. The Program Term may include a regularly scheduled quarterly blackout period that is imposed by the Issuer on its directors, executive officers and other insiders pursuant to the Issuer's internal insider trading policy (a "**Blackout Period**"). During a Blackout Period, the Program will be an "automatic securities purchase plan" as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (as applied, *mutatis mutandis*, to purchases made by an issuer), and TD Securities will conduct the Program in its sole discretion, in accordance with the irrevocable instructions established by the Issuer, and conveyed by the Issuer to TD Securities, at a time when the Issuer was not in a Blackout Period, in compliance with exchange and securities regulatory requirements applicable to automatic securities repurchase plans. The TSX (a) will be advised of the Issuer's intention to enter into the Program, (b) will be provided with a copy of the Program Agreement, and (c) will have pre-cleared the Program.

26. At such times during the Program Term when the Issuer is not in a Blackout Period, TD Securities will purchase Common Shares on the applicable Trading Day in accordance with instructions received by TD Securities from the Issuer prior to the opening of trading on such day, which instructions will be the same instructions that the Issuer would give to the Responsible Broker, as its designated broker in respect of the NCIB if the Issuer was conducting the NCIB in reliance on the Exemptions.

27. The Issuer will not give purchase instructions in respect of the Program to TD Securities at any time that the Issuer is aware of Undisclosed Information (as defined below).

28. All Common Shares acquired for the purposes of the Program by TD Securities on a day during the Program Term on which Canadian Markets are open for trading (each, a "**Trading Day**") must be acquired on Canadian Markets in accordance with the TSX Rules and any by-laws, rules, regulations or policies of any Canadian Markets upon which purchases are carried out (collectively, the "**NCIB Rules**") that would be applicable to the Issuer in connection with the NCIB, provided that:

    (a) the aggregate number of Common Shares to be acquired on Canadian Markets by TD Securities on each Trading Day shall not exceed the maximum daily limit that is imposed upon the NCIB pursuant to the TSX Rules, determined with reference to an average daily trading volume that is based on the trading volume of the Common Shares on all Canadian Markets rather than being limited to the trading volume on the TSX only (the "**Modified Maximum Daily Limit**"), it being understood that the aggregate number of Common Shares to be acquired on the TSX by TD Securities on each Trading Day will not exceed the maximum daily limit that is imposed on the NCIB pursuant to the TSX Rules; and

    (b) notwithstanding the block purchase exception provided for in the TSX Rules, no purchases will be made by TD Securities on any Canadian Markets pursuant to a pre-arranged trade.

29. The aggregate number of Common Shares acquired by TD Securities in connection with the Program:

    (a) shall not exceed the Program Maximum; and

    (b) on Canadian Other Published Markets, shall not exceed that number of Common Shares remaining eligible for purchase by the Issuer pursuant to the Other Published Markets Exemption, calculated as at the date of the Program Agreement.

30. On every Trading Day, TD Securities will purchase the Number of Common Shares. The "**Number of Common Shares**" will be no greater than the least of:

(a) the maximum number of Common Shares established in the instructions received by TD Securities from the Issuer prior to the opening of trading on such day;

(b) the Program Maximum less the aggregate number of Common Shares previously purchased by TD Securities under the Program;

(c) on a Trading Day where trading ceases on the TSX or some other event that would impair TD Securities' ability to acquire Common Shares on Canadian Markets occurs (a "**Market Disruption Event**"), the number of Common Shares acquired by TD Securities on such Trading Day up until the time of the Market Disruption Event; and

(d) the Modified Maximum Daily Limit.

The "**Discounted Price**" per Common Share will be equal to (i) the volume weighted average price of the Common Shares on the Canadian Markets on the Trading Day on which purchases were made less an agreed upon discount, or (ii) upon the occurrence of a Market Disruption Event, the volume weighted average price of the Common Shares on the Canadian Markets at the time of the Market Disruption Event less an agreed upon discount.

31. TD will deliver to the Issuer that number of Inventory Shares equal to the number of Common Shares purchased by TD Securities on a Trading Day under the Program on the Trading Day thereafter, and the Issuer will pay TD a purchase price equal to the Discounted Price for each such Inventory Share. Each Inventory Share purchased by the Issuer under the Program will be cancelled upon delivery to the Issuer.

32. TD will not sell any Inventory Shares to the Issuer under the Program unless TD Securities has purchased the equivalent number of Common Shares on Canadian Markets. The number of Common Shares that are purchased by TD Securities on Canadian Markets on a Trading Day will be equal to the Number of Common Shares for such Trading Day. TD Securities will provide the Issuer with a daily written report of TD Securities' purchases, which report will indicate, *inter alia*, the aggregate number of Common Shares acquired, the Canadian Market on which such Common Shares were acquired, and the Modified Maximum Daily Limit.

33. During the Program Term, the Issuer will (a) not purchase any Common Shares (other than Inventory Shares purchased under the Program), (b) prohibit the Responsible Broker from acquiring any Common Shares on its behalf, and (c) prohibit any Plan Trustee from undertaking any Plan Trustee Purchases other than Exempted Plan Trustee Purchases.

34. All purchases of Common Shares under the Program will be made by TD Securities and neither of the TD Entities will engage in any hedging activity in connection with the conduct of the Program.

35. The Issuer will report its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules. In addition, immediately following the completion of the Program, the Issuer will: (a) report the total number of Common Shares acquired under the Program to the TSX and the Commission, and (b) file a notice on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

36. The Issuer is of the view that (a) it will be able to purchase Common Shares from TD at a lower price than the price at which it would be able to purchase an equivalent quantity of Common Shares under the NCIB in reliance on the Exemptions, and (b) the purchase of Common Shares pursuant to the Program is in the best interests of the Issuer and constitutes a desirable use of the Issuer's funds.

37. The entering into of the Program Agreement, the purchase of Common Shares by TD Securities in connection with the Program, and the sale of Inventory Shares by TD to the Issuer will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer.

38. The sale of Inventory Shares to the Issuer by TD will not be a "distribution" (as defined in the Act).

39. The Issuer will be able to acquire the Inventory Shares from TD without the Issuer being subject to the dealer registration requirements of the Act.

40. At the time the Issuer and the TD Entities enter into the Program Agreement, neither the Issuer, nor any member of the Equity Derivatives group of TD, nor any personnel of either of the TD Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, will be aware of any "material change" or "material fact" (each as defined in

the Act) with respect to the Issuer or the Common Shares that has not been generally disclosed (the "**Undisclosed Information**").

41. Each of the TD Entities:

(a) has policies and procedures in place to ensure that the Program will be conducted in accordance with, among other things, the Program Agreement and this Order, and to preclude those persons responsible for administering the Program from acquiring any Undisclosed Information during the conduct of the Program; and

(b) will, prior to entering into the Program Agreement, (i) ensure that its systems are capable of adhering to, and performing in accordance with, the requirements of the Program and this Order, and (ii) provide all necessary training and take all necessary actions to ensure that the persons administering and executing the purchases under the Program are aware of, and understand the terms of this Order.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in respect of the purchase of Inventory Shares from TD pursuant to the Program, provided that:

(a) at least two clear trading days prior to the commencement of the Program the Issuer issues the Press Release;

(b) all purchases of Common Shares under the Program are made on Canadian Markets by TD Securities, and are:

(i) made in accordance with the NCIB Rules applicable to the NCIB, as modified by paragraph 28 of this Order;

(ii) taken into account by the Issuer when calculating the maximum annual aggregate limits that are imposed upon the NCIB in accordance with the TSX Rules, with those Common Shares purchased on Canadian Other Published Markets being taken into account by the Issuer when calculating the maximum aggregate limits that are imposed upon the Issuer in accordance with the Other Published Markets Exemption;

(iii) marked with such designation, as would be required by the applicable marketplace and UMIR for trades made by an agent of the Issuer; and

(iv) monitored by the TD Entities on a continual basis for the purposes of ensuring compliance with the terms of this Order, NCIB Rules, and applicable securities law;

(c) during the Program Term, (i) the Issuer does not purchase any Common Shares (other than Inventory Shares under the Program), (ii) no Common Shares are purchased on behalf of the Issuer by the Responsible Broker, and (iii) no Plan Trustee Purchases are undertaken by any Plan Trustee (other than Exempted Plan Trustee Purchases);

(d) the number of Inventory Shares transferred by TD to the Issuer for purchase under the Program in respect of a particular Trading Day is equal to the number of Common Shares purchased by TD Securities on Canadian Markets in respect of the Trading Day;

(e) no hedging activity is engaged in by the TD Entities in connection with the conduct of the Program;

(f) at the time that the Program Agreement is entered into by the Filers and TD Securities:

(i) the Common Shares are "highly liquid securities", as that term is defined in section 1.1 of OSC Rule 48-501 and section 1.1 of UMIR; and

(ii) none of the Issuer, any member of the Equity Derivatives group of TD, or any personnel of either of the TD Entities that negotiated the Program Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Program Agreement and sell the Common Shares, was aware of any Undisclosed Information;

(g) no purchase instructions in respect of the Program are given by the Issuer to TD Securities at any time that the Issuer is aware of Undisclosed Information;

(h) the TD Entities maintain records of all purchases of Common Shares that are made by TD Securities pursuant to the Program, which will be available to the Commission and IIROC upon request; and

(i) in addition to reporting its purchases of Common Shares under the Program to the TSX in accordance with the TSX Rules, immediately following the completion of the Program, the Issuer will: (i) report the total number of Common Shares acquired under the Program to the TSX and the Commission, and (ii) file a notice on SEDAR disclosing the number of Common Shares acquired under the Program and the aggregate dollar amount paid for such Common Shares.

DATED at Toronto, Ontario, this 27 day of January, 2017.

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

2.2.5 GenFund Management Inc. et al. – s. 144(1)

Headnote

Section 144 – application for partial revocation of cease trade order – variation of cease trade order to permit certain trades for the purpose of closing out outstanding short positions held by fund entities and to facilitate wind-up of fund entities – partial revocation granted subject to conditions.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
GENFUND MANAGEMENT INC.
("GENFUND")
AND
GENFUND CORP.
(TOGETHER WITH GENFUND, THE "APPLICANTS")

AND

POSEIDON CONCEPTS CORP.
("POSEIDON")

ORDER
(Subsection 144(1) of the Act)

WHEREAS the securities of Poseidon are subject to a temporary cease trade order made by the Director on February 26, 2013 pursuant to section 127 of the Act, as extended by a further order made by the Director dated March 11, 2013 pursuant to section 127 of the Act (collectively, the "**Cease Trade Order**"), ordering that trading in the securities of Poseidon cease until the Cease Trade Order is revoked;

AND WHEREAS the Director varied the Cease Trade Order on March 19, 2013, January 21, 2014, July 22, 2014 and September 2, 2015;

AND WHEREAS the Applicants have made an application to the Ontario Securities Commission (the "**Commission**") pursuant to subsection 144(1) of the Act for a partial revocation of the Cease Trade Order to permit the Funds (as defined below) managed by GenFund to close out their Short Positions (as defined below) in Poseidon;

AND UPON the Applicants having represented to the Commission that:

1. GenFund is the portfolio manager and the investment fund manager of two investment funds organized as classes of shares of GenFund Corp., being GMF 130/30 Fund Class (the "**130/30 Fund**") and GFM Market Neutral Fund Class (the "**Market Neutral Fund**", and together with the 130/30 Fund, collectively, the "**Funds**").

2. In addition to the Cease Trade Order, the securities of Poseidon are subject to the following cease trade orders:

   (a) an order of the Alberta Securities Commission issued on February 14, 2013;

   (b) an order of the British Columbia Securities Commission issued on February 18, 2013; and

   (c) an order of the Autorité des marchés financiers (2013-FIIC-0045) issued on March 6, 2013.

3. To the knowledge of the Applicants:

   (a) on April 9, 2013, Poseidon and its affiliates obtained an initial order from the Alberta Court of Queen's Bench providing creditor protection under the *Companies' Creditors Arrangement Act* (Canada);

   (b) Poseidon sold all of its assets on or about June 25, 2013;

   (c) Poseidon's securities are not listed on and do not trade on any exchange in Canada;

   (d) Poseidon's securities are not subject to cease trade orders in jurisdictions outside of Canada; and

   (e) as of September 22, 2016, Poseidon's securities traded on the OTC Pink Marketplace in the United States of America.

4. The Funds collectively hold aggregate short positions of 132,400 common shares of Poseidon (collectively, the "**Short Positions**"). In connection with the creation of the Short Positions, the Funds pledged cash collateral (the "**Collateral**") to lenders of common shares of Poseidon.

5. The Funds established the Short Positions gradually from December 2011 to January 2013. At such time, the Applicants had no information concerning potential cease trade orders of securities of Poseidon and the Cease Trade Order was not reasonably foreseeable considering the information then available to the Applicants. At the time the Short Positions were established, the securities of Poseidon were listed on the Toronto Stock Exchange.

6. The Funds' prime brokers lent common shares of Poseidon to the Funds for the purposes of establishing the Short Positions. To settle the Short Positions, and secure a return of the Collateral, the Funds must acquire common shares of Poseidon and deliver them to the Funds' prime brokers.

7. None of the Applicants or the Funds is an insider or control person of Poseidon, or has been employed by or in any way affiliated with Poseidon.

8. None of the Applicants or the Funds is in default under any applicable securities legislation.

9. The Applicants are seeking a partial revocation of the Cease Trade Order under subsection 144(1) of the Act permitting the Funds to acquire common shares of Poseidon outside of Canada to allow the Funds to close out the Short Positions.

10. The terms and conditions to the Cease Trade Order put the Applicants and Funds at a disadvantage to non-Canadian shareholders who are free to trade their shares of Poseidon on the OTC Pink Marketplace.

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

AND UPON the Director being satisfied that it is not prejudicial to the public interest to vary the Cease Trade Order under subsection 144(1) of the Act;

IT IS HEREBY ORDERED pursuant to subsection 144(1) of the Act that the Cease Trade Order is varied by including the following section:

> Despite this order, GMF 130/30 Fund Class and GFM Market Neutral Fund Class, investment funds managed by GenFund Management Inc. (the "**Investment Funds**"), none of whom are, or were at the date of this order, insiders or control persons of Poseidon Concepts Corp., may acquire securities of Poseidon Concepts Corp. that are necessary for and in connection with the closing out of short positions the Investment Funds held in Poseidon Concepts Corp. before the date of this order, if:
>
> 1. the acquisition is made through the OTC Pink Marketplace; and
>
> 2. the acquisition is made through an investment dealer registered in Ontario.

DATED at Toronto, Ontario on this 2nd day of December, 2016.

"Jo-Anne Matear"
Manager, Corporate Finance
Ontario Securities Commission

2.2.6 Telus Corporation – s. 6.1 of NI 62-104 Take-Over Bids and Issuer Bids

Headnote

Section 6.1 of NI 62-104 – Issuer bid – relief from the requirements applicable to issuer bids in Part 2 of NI 62-104 – Issuer proposes to purchase, at a discounted purchase price, up to 1,000,000 of its common shares from one of its shareholders – due to the discounted purchase price, proposed purchases cannot be made through the TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in accordance with the TSX rules governing normal course issuer bids, in reliance on the issuer bid exemption in subsection 4.8(2) of NI 62-104 – the selling shareholder did not purchase the subject shares in anticipation or contemplation of resale to the Issuer and no common shares have been purchased by the selling shareholder for a minimum of 30 days prior to the date of the application seeking the requested relief in anticipation or contemplation of a sale of common shares by the selling shareholder to the Issuer – no adverse economic impact on, or prejudice to, the Issuer or other security holders – proposed purchases exempt from the requirements applicable to issuer bids in Part 2 of NI 62-104, subject to conditions, including that the Issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases, and that the Issuer not make any proposed purchase unless it has first obtained written confirmation from the selling shareholder that between the date of the order and the date on which the proposed purchase is completed, the selling shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any common shares of the Issuer to re-establish its holdings of common shares which will have been reduced as a result of the sale of the subject shares pursuant to the proposed purchases.

Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

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

AND

IN THE MATTER OF
TELUS CORPORATION

ORDER
(Section 6.1 of National Instrument 62-104)

UPON the application (the "**Application**") of TELUS Corporation (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* ("**NI 62-104**") exempting the Issuer from the requirements applicable to issuer bids in Part 2 of NI 62-104 (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to an aggregate of 1,000,000 Common Shares (as defined below) of the Issuer (collectively, the "**Subject Shares**") in one or more trades with National Bank of Canada (the "**Selling Shareholder**");

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 11, 22, 23, 24 and 28 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (British Columbia).

2. The head, registered and executive office of the Issuer is located at 510 West Georgia Street, Vancouver, British Columbia.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the common shares of the Issuer (the "**Common Shares**") are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbols "T" and "TU", respectively. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized share capital of the Issuer consists of 4,000,000,000 shares, divided into: (i) 2,000,000,000 Common Shares without par value; (ii) 1,000,000,000 first preferred shares without par value ("**First Preferred Shares**"); and (iii) 1,000,000,000 second preferred shares without par value ("**Second Preferred Shares**"). As at November 25, 2016,

591,387,525 Common Shares, no First Preferred Shares and no Second Preferred Shares were issued and outstanding.

5. All of the Subject Shares are held by the Selling Shareholder in the Province of Ontario. The negotiation, execution and delivery of each Agreement (as defined below) and the execution and settlement of the trades contemplated thereunder will be undertaken by members of the Global Equity and Commodity Group of the Selling Shareholder who are in the Province of Ontario.

6. The Selling Shareholder does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder is the beneficial owner of at least 1,000,000 Common Shares. None of the Subject Shares were acquired by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.

8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or an "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the *Securities Act* (Ontario) (the "**Act**"). The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus Exemptions*.

9. Pursuant to a "Notice of Intention to Make a Normal Course Issuer Bid" (the "**Notice**") that was submitted to, and accepted by the TSX, effective September 30, 2016, the Issuer is permitted to make a normal course issuer bid (the "**Normal Course Issuer Bid**") during the period from September 30, 2016 to September 29, 2017 to purchase up to 8,000,000 Common Shares, representing 1.35% of the Issuer's public float of Common Shares as of the date specified in the Notice, subject to a maximum aggregate purchase price consideration of $250.0 million excluding brokerage costs and commission. In accordance with the Notice, the Normal Course Issuer Bid is being, and will be conducted through the facilities of the TSX, the NYSE or alternative Canadian trading platforms, or such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**") including, by private agreements under issuer bid exemption orders issued by a securities regulatory authority (each, an **"Off-Exchange Block Purchase**"). The TSX has been advised of the Issuer's intention to enter into the Proposed Purchases and has confirmed that it does not object to the Proposed Purchases.

10. The Issuer entered into an automatic repurchase plan (the "**ARP**") on October 1, 2016 with a designated broker (the "**ARP Broker**") providing for automatic purchases of Common Shares, to be conducted by the broker on the TSX or alternative Canadian trading platforms within pre-determined parameters as part of the Normal Course Issuer Bid, during internal trading blackout periods, including regularly scheduled quarterly blackout periods, when the Issuer would not otherwise be permitted to trade in its Common Shares (each such time, a "**Blackout Period**"). Under the ARP, at times it is not subject to blackout restrictions, the Issuer may, but is not required to, instruct the ARP Broker to make purchases under its Normal Course Issuer Bid in accordance with the terms of the ARP. Such purchases under the ARP will be determined by the ARP Broker in its sole discretion based on parameters established by the Issuer prior to the applicable Blackout Period in accordance with TSX rules, applicable securities laws, this Order and the terms of the agreement between the ARP Broker and the Issuer. The ARP was approved by the TSX and is in compliance with the TSX NCIB Rules, applicable securities law and this Order. The Issuer will instruct the ARP Broker not to conduct a block purchase (a "**Block Purchase**") in reliance on the block purchase exception in clause 629(l)7 of the TSX NCIB Rules during the calendar week in which either (a) the Issuer completes a Proposed Purchase (as defined below), or (b) a Blackout Period ends and a new trading window of the Issuer opens. No Subject Shares will be acquired under the ARP or otherwise during Blackout Periods.

11. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**") pursuant to which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by one or more purchases each occurring before December 31, 2016 (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price, in each case, will be at a discount to the prevailing market price of the Common Shares on the TSX and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase.

12. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

13. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for the purposes of the Act to which the Issuer Bid Requirements would apply.

14. Because the Purchase Price will, in each case, be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104.

15. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Common Shares on the TSX at the time of the applicable Proposed Purchase, the Issuer could otherwise acquire the applicable Subject Shares through the facilities of the TSX as a Block Purchase in reliance on the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104.

16. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

17. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

18. Management of the Issuer is of the view that: (a) through the Proposed Purchases, the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements in subsection 4.8(2) of NI 62-104; and (b) the Proposed Purchases are an appropriate use of the Issuer's funds.

19. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out at minimal cost to the Issuer.

20. To the best of the Issuer's knowledge, as of November 25, 2016, the "public float" of the Common Shares represented more than 99.87% of all issued and outstanding Common Shares for the purposes of the TSX NCIB Rules.

21. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the *Universal Market Integrity Rules*.

22. Other than the Purchase Price, no fee or other consideration will be paid in connection with the Proposed Purchases.

23. The Subject Shares are held by the Selling Shareholder in connection with hedging client transactions in respect of the Common Shares. Between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder will not purchase, have purchased on its behalf, or otherwise accumulate, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

24. At the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Global Equity and Commodity Group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

26. The British Columbia Securities Commission granted an employee benefit plan trust established by the Issuer for the benefit of employees of the Issuer and its subsidiaries (the "**Trust**") an order on November 9, 2016 pursuant to section 6.1 of NI 62-104 exempting the Trust from the requirements applicable to issuer bids in connection with the proposed purchases by the Trust of up to 2,000,000 Common Shares (the "**Trust Order**"). Pursuant to the terms of the Trust Order, Common Shares purchased by the Trust are required to be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the maximum aggregate limit that is imposed upon the Issuer in accordance with the exemption from the Issuer Bid Requirements set out in subsection 4.8(3) of NI 62-104.

27. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to 2,666,666 Common Shares as of the date of this Order.

28. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after November 6, 2016, being the date that was 30 days prior to the date of the Application, in anticipation or contemplation of a sale of Common Shares by the Selling Shareholder to the Issuer.

29. No Agreement will be negotiated or entered into during a Blackout Period. If a Blackout Period is in effect, the Issuer will not purchase Subject Shares pursuant to the Proposed Purchases until the later of (a) the end of such Blackout Period, and (b) the passage of two clear trading days from the date of the dissemination to the public of the Issuer's financial results and/or any and all "material changes" or any "material facts" (each as defined in the Act) in respect of the Issuer or the Common Shares relating to such Blackout Period.

30. As of November 25, 2016, the Issuer has acquired an aggregate of 238,140 Common Shares pursuant to the Normal Course Issuer Bid, with no Common Shares having been acquired in reliance on the exemption from the Issuer Bid Requirements in section 4.8 of NI 62-104 and 238,140 Common Shares having been purchased under the Trust Order.

31. Assuming completion of the purchase of the maximum number of Subject Shares, being 1,000,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 1,000,000 Common Shares pursuant to Off-Exchange Block Purchases, representing approximately 12.5% of the maximum of 8,000,000 Common Shares authorized to be purchased under the Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to section 6.1 of NI 62-104 that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

b) the Issuer will refrain from conducting either a Block Purchase in accordance with the TSX NCIB Rules or another Off-Exchange Block Purchase during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under the Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;

c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;

d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by such other means as may be permitted by the TSX, and subject to condition (i) below, by Off-Exchange Block Purchases;

e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of such Subject Shares to the TSX;

f) at the time that each Agreement is negotiated or entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor any member of the Global Equity and Commodity Group of the Selling Shareholder, nor any personnel of, the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;

g) in advance of the first Proposed Purchase, the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and (ii) that information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, will be available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") following the completion of each such Proposed Purchase;

h) the Issuer will report information regarding each Proposed Purchase, including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following the completion of such Proposed Purchase;

i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 2,666,666 Common Shares; and

j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing from the Selling Shareholder that, between the date of this Order and the date on which a Proposed Purchase is to be completed, the Selling Shareholder has not purchased, had purchased on its behalf, or otherwise accumulated, any Common Shares to re-establish its holdings of Common Shares which will have been reduced as a result of the sale of Subject Shares pursuant to the Proposed Purchases.

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

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

2.2.7 Investar Investment Ltd. et al.

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

AND

**IN THE MATTER OF
INVESTAR INVESTMENT LTD.,
LIYUAN QI AND JIAN GUO**

ORDER

WHEREAS:

1. on January 3, 2017, Investar Investment Ltd. ("Investar"), Liyuan Qi and Jian Guo (collectively the "Applicants") brought an application with respect to a decision of a Director of the Ontario Securities Commission (the "Commission") dated October 17, 2016 ("Director's Decision"), requesting:

   a. an order extending the time to request a hearing and review (the "Time Extension") under section 8 of the *Securities Act*, RSO 1990, c S.5 (the "Act");

   b. an order pursuant to section 8 of the Act setting aside the Director's Decision; and

   c. an order pursuant to subsection 8(4) of the Act staying the Director's Decision pending the disposition of the hearing and review (the "Stay");

2. on January 30, 2017, Staff of the Commission ("Staff") and counsel for the Applicants attended a confidential pre-hearing conference to address scheduling; and

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

IT IS ORDERED THAT:

1. by 4:30 p.m. on February 15, 2017, the Applicants shall serve and file:

   a. the record for the hearing and review in accordance with rules 14.3, 14.4(1) and 14.4(2) of the Commission's *Rules of Procedure* (2014) 37 OSCB 4168; and

   b. any additional documentary evidence upon which the Applicants intend to rely;

2. by 4:30 p.m. on February 18, 2017, Staff shall inform the Applicants whether it intends, at the hearing in this matter, to cross-examine any affiants;

3. by 4:30 p.m. on March 7, 2017, Staff shall serve and file its record in response, which record shall include any documentary evidence not already filed:

4. by 4:30 p.m. on March 10, 2017, the Applicants shall inform Staff whether they intend, at the hearing in this matter, to cross-examine any affiants;

5. by 4:30 p.m. on March 13, 2017:

   a. the Applicants shall serve and file written submissions on: (1) the Time Extension and (2) the Stay; and

   b. Staff shall serve and file written submissions on the merits of the section 8 application;

6. by 4:30 p.m. on March 16, 2017:

   a. the Applicants shall serve and file responding written submissions on the merits of the section 8 application; and

   b. Staff shall serve and file responding written submissions on: (1) the Time Extension and (2) the Stay;

7. no further written submissions shall be filed; and

8. the hearing with respect to: (1) the Time Extension, (2) the Stay, and (3) the section 8 application shall be held at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on Monday, March 20, 2017, at 10:00 a.m.

DATED at Toronto this 30th day of January 2017.

"Timothy Moseley"

2.2.8 Thomas Arthur Williams et al.

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

AND

IN THE MATTER OF
THOMAS ARTHUR WILLIAMS,
GLOBAL WEALTH CREATION OPPORTUNITIES INC.,
GLOBAL WEALTH CREATION OPPORTUNITIES INC. (BELIZE),
GLOBAL WEALTH FINANCIAL INC.,
GLOBAL WEALTH CREATION STRATEGIES INC.,
CDN GLOBAL WEALTH CREATION CLUB RW-TW,
2002 CONCEPTS INC.,
SUSAN GRACE NEMETH,
RENEE MICHELLE PENKO,
IRENE G. BEILSTEIN
and DENNIS CARL WEIGEL

ORDER

WHEREAS:

1. On January 10, 2017, Staff ("Staff") of the Ontario Securities Commission (the "Commission") filed a Statement of Allegations seeking an order against Thomas Arthur Williams, Global Wealth Creation Opportunities Inc., Global Wealth Creation Opportunities Inc. (Belize), Global Wealth Financial Inc., Global Wealth Creation Strategies Inc., CDN Global Wealth Creation Club RW-TW, 2002 Concepts Inc., Susan Grace Nemeth, Renee Michelle Penko, Irene G. Beilstein and Dennis Carl Weigel (collectively, the "Respondents"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5;

2. On January 10, 2017, the Commission issued a Notice of Hearing in respect of that Statement of Allegations, setting January 30, 2017 as the date of the hearing;

3. On January 25, 2017, Staff filed two affidavits of service sworn by Lee Crann on the same day, 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 January 30, 2017:

   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 5:00 p.m. EST on February 9, 2017;

(c) The Respondents' responding materials, if any, shall be served and filed no later than 5:00 p.m. EST on March 9, 2017; and

(d) Staff's reply materials, if applicable, shall be served and file no later than 5:00 p.m. EST on March 23, 2017.

DATED at Toronto this 30th day of January, 2017.

"Monica Kowal"
Vice Chair

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Black Panther Trading Corporation and Charles Robert Goddard – s. 127(1)

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

AND

IN THE MATTER OF
BLACK PANTHER TRADING CORPORATION
and CHARLES ROBERT GODDARD

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

Hearing:	October 20, 21 and 24, 2016		
Decision:	January 30, 2017		
Panel:	Timothy Moseley	–	Commissioner and Chair of the Panel
	Garnet Fenn	–	Commissioner
	Judith Robertson	–	Commissioner
Appearances:	Keir D. Wilmut	–	For Staff of the Commission
	Charles Robert Goddard	–	For Black Panther Trading Corporation and himself

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REASONS AND DECISION

I. INTRODUCTION

A. Overview of significant events

[1] Between July 2012 and April 2015 (the "**Material Time**"), the respondents Charles Goddard and Black Panther Trading Corporation ("**Black Panther**") received more than $425,000 from 16 individuals (the "**Note Holders**"), and issued to those Note Holders documents entitled Letters of Understanding promising an annual return, typically either 20% or 30%.

[2] The respondents, neither of whom was registered during the Material Time, failed in most instances to invest the Note Holders' funds as promised or to make the payments called for by the Letters of Understanding. Instead, the respondents often used the funds to pay other Note Holders and family members, or for personal expenses.

[3] In addition, at Mr. Goddard's suggestion, some Note Holders granted him trading authority over their brokerage accounts so that he could effect trades in those accounts on their behalf. Mr. Goddard was to be compensated by receiving half of any return earned above 20% per year.

B. The respondents

[4] Mr. Goddard, an Ontario resident, spent most of his working career in the securities industry. He was registered with the Ontario Securities Commission (the "**Commission**") beginning in June 1986, and then for almost 24 years until March 2010, in the categories of Securities Salesperson (for mutual funds only), Salesperson, Branch Manager, Trading Officer and Dealing Representative. For the last six months of that period, Mr. Goddard was also authorized under the rules of the Investment Industry Regulatory Organization of Canada to carry on discretionary management of client assets.

[5] Black Panther, a federal corporation headquartered in Ottawa, was incorporated by Mr. Goddard in 2009. He has been Black Panther's sole shareholder and director since inception, except between December 2010 and May 21, 2014, during which time Mr. Goddard's son was Black Panther's sole director. Even though Mr. Goddard was not formally a director of Black Panther during that time, he was for practical purposes the sole officer and director. Staff and the respondents agree that Mr. Goddard's son played no role at Black Panther, and that Mr. Goddard has been the sole directing mind of Black Panther since its inception.

C. Allegations, respondents' position, and conclusions

[6] Staff alleges that the Letters of Understanding issued to Note Holders are securities, and that during the Material Time:

a. the respondents, while not registered, engaged in or held themselves out as engaging in the business of trading in securities, contrary to subsection 25(1) of the *Securities Act* ("the "Act");[1]

b. the respondents participated in an illegal distribution of the Letters of Understanding, contrary to subsection 53(1) of the Act;

c. the respondents engaged in, or held themselves out as engaging in, the business of advising with respect to securities, contrary to subsection 25(3) of the Act;

d. the respondents perpetrated fraud, contrary to clause 126.1(1)(b) of the Act, by:

   i. misrepresenting the returns that Black Panther had earned through trading;

   ii. using the Note Holders' funds in a manner other than had been promised; and

   iii. misrepresenting the risk associated with investment in Black Panther;

e. the respondents made untrue statements that would be relevant to a reasonable investor contemplating entering into a trading or advising relationship with the respondents, and thereby contravened subsection 44(2) of the Act;

[1] RSO 1990, c S.5.

f. in numerous respects, Mr. Goddard misled Staff during his February 2015 compelled examination under oath, which conduct is prohibited by clause 122(1)(a) of the Act; and

g. by forwarding a copy of his summons to a third party, Mr. Goddard disclosed information regarding the investigation of this matter, contrary to section 16 of the Act.

[7] Staff also alleges that Mr. Goddard, being a director of Black Panther, authorized, permitted or acquiesced in Black Panther's non-compliance with Ontario securities law and is therefore deemed to have failed to comply with Ontario securities law, pursuant to section 129.2 of the Act.

[8] The respondents submit that the Letters of Understanding are not securities and deny that they committed a fraud or that they otherwise breached the Act.

[9] For the reasons that follow, we find that the Letters of Understanding are securities, and that Staff has proven breaches of the Act in all seven categories listed above.

D. Evidentiary matters

[10] Before reviewing the background facts in detail, we discuss factual assertions made in the respondents' written submissions, hearsay evidence adduced at the hearing, and the applicable standard of proof.

1. The respondents' factual assertions

[11] At the merits hearing, Mr. Goddard appeared on his own behalf and as agent for Black Panther. Staff called three investor witnesses and two members of Staff who assisted in the investigation of this matter. Mr. Goddard did not testify and the respondents neither called any witnesses nor adduced any documentary evidence.

[12] Staff and the respondents filed written submissions following the merits hearing. Because the respondents' submissions contain many improper factual assertions, we first review the Commission's cautions to Mr. Goddard during this proceeding.

[13] At an interlocutory hearing on September 19, the respondents confirmed that at the upcoming merits hearing Mr. Goddard would neither testify nor call any witnesses. The Commission panel at that hearing explained to Mr. Goddard that at the merits hearing he would not be able to introduce evidence during opening or closing submissions or by way of his questions during cross-examination. Mr. Goddard replied that the explanation was "perfectly clear". The panel also advised that if, when cross-examining a Staff witness, Mr. Goddard put a suggestion to the witness that the witness declined to adopt, he would be "stuck with" the witness's answer. Mr. Goddard confirmed that he understood.

[14] At the merits hearing, Mr. Goddard began his opening statement by making a factual assertion as to what his goals were in creating Black Panther. The Chair of the panel interrupted him and repeated the earlier admonition that the respondents could not introduce evidence through opening or closing submissions, and that any facts admitted into evidence would have to come through a witness. Mr. Goddard responded by saying: "Then I won't waste time doing this."

[15] The hearing proceeded. Staff called five witnesses, and Mr. Goddard cross-examined each witness. Before concluding the hearing, the Chair of the panel again cautioned Mr. Goddard that the respondents could refer to evidence properly admitted at the hearing but that the panel would "almost certainly" have to disregard any assertions in the written submissions that were unsupported by evidence.

[16] The respondents' written submissions include many factual assertions not supported by evidence admitted at the hearing, and often expressly contradicted by the evidence. For example, the respondents repeat the statement referred to in paragraph [14] above regarding Mr. Goddard's claimed objectives in setting up Black Panther. The submissions also contain his version of investors' understanding as to the use that would be made of their funds. There are many other examples.

[17] Subsection 15(1) of the *Statutory Powers Procedure Act* (the "**SPPA**")[2] provides:

> Subject to subsections (2) and (3) [not relevant in this case], a tribunal may admit as evidence at a hearing, whether or not given or proven under oath or affirmation or admissible as evidence in a court,

[2] RSO 1990, c S.22.

(a) any oral testimony; and

(b) any document or other thing.

[18] The respondents did not request that we admit as evidence any factual assertions contained in their written submissions. Even if they had, we would have declined the request, especially since Staff had no opportunity to challenge or respond to those factual assertions, either by cross-examination or reply evidence. We therefore do not rely on any factual assertions in the respondents' written submissions that are unsupported by evidence adduced at the hearing.

2. Hearsay evidence

[19] During the hearing Staff sought to introduce hearsay evidence in two forms: the transcript of Mr. Goddard's examination in February 2015, and a September 10, 2015, letter to Staff from counsel to Mr. Goddard's son.

(a) Transcript of examination

[20] Staff disclosed the transcript of Mr. Goddard's examination to him months before the hearing and advised him that Staff would rely upon the transcript at the hearing. At Staff's request, and with Mr. Goddard's consent, we admitted the entire transcript into evidence, as we are permitted to do by section 15 of the SPPA. We must still consider the weight to be attributed to various parts of that transcript.

[21] When Staff cites an admission made by Mr. Goddard during the examination, it is appropriate for us to rely on that admission. Our placing weight on those admissions is consistent with the long-standing exception to the hearsay rule for admissions against interest, which exception recognizes of the reliability of such admissions.

[22] The same is not true where the respondents seek to rely on evidence Mr. Goddard gave during the examination. With respect to any contested fact, evidence from Mr. Goddard at the hearing would have been subject to Staff's cross-examination and to any questions that the panel may have had, all of which would have helped us assess the reliability of that evidence.[3] We cannot be confident about the accuracy of Mr. Goddard's testimony on his compelled examination, which did not benefit from those measures, and accordingly we cannot give significant weight, if any at all, to portions of the transcript on which the respondents rely and that relate to contested facts.

(b) Mr. Goddard's son's response to an Enforcement Notice

[23] On July 27, 2015, Staff sent a letter to Mr. Goddard's son setting out Staff's view that Black Panther may have breached Ontario securities law, and that as Black Panther's sole director for several years, the son may have authorized, permitted or acquiesced in Black Panther's alleged breaches. The letter, known as an "Enforcement Notice", offered Mr. Goddard's son an opportunity to respond to Staff's concerns. Mr. Goddard's son's counsel responded on September 10, 2015. Mr. Goddard objected to the introduction of the response letter on the basis that "everyone agreed [his son] had nothing to do with Black Panther in a form that has any effect on this hearing." Staff concedes that the response is hearsay but asked that it be made an exhibit to help explain certain transfers made between Black Panther and Mr. Goddard's children. We admitted the response letter as an exhibit but deferred determination of the weight to be attributed to it.

[24] We do not rely on the letter in disposing of any issue in this proceeding. The transfers themselves are impugned, and the respondents offered no legitimate explanation for them. We find below that the transfers were an improper use of funds, and we reach that conclusion without reference to the letter.

[25] We do rely on one attachment to the letter – a Letter of Understanding issued to Mr. Goddard's son, as discussed in paragraph [156] below. The document speaks for itself, is corroborated by Staff's analysis of the source and use of funds, and was not challenged by the respondents.

3. Material Time

[26] The Material Time defined above and in the Statement of Allegations limits Staff's allegations of misconduct to acts that took place during that period. At the hearing and in written submissions, the respondents objected to the introduction of evidence about events or transactions that preceded July 1, 2012, the beginning of the Material Time.

[27] We allowed the introduction of evidence outside the Material Time, and we do not accept the submission that we must ignore such evidence. Evidence relating to events before the Material Time serves only to set the stage for the alleged

[3] *Re Agueci* (2013), 36 OSCB 12133 ("***Agueci***") at para 131, citing *Re Donald* (2012), 35 OSCB 7383 at para 34.

misconduct. In our analysis that follows, we are mindful that any breaches we find must have occurred during the Material Time.

4. Standard of proof

[28] Staff bears the burden of proof in this proceeding. For any factual finding that we make, whether Staff's evidence is disputed or not, we apply the civil standard of proof of the "balance of probabilities". In other words, is it more likely than not that an alleged event occurred?[4]

II. BACKGROUND FACTS

A. Source and use analysis of Note Holders' funds

[29] Ms. Sherry Brown, a Senior Forensic Accountant in the Commission's Enforcement Branch, testified about the analysis of the source and use of funds she conducted for this proceeding (the "**Funds Analysis**"). Ms. Brown became a Chartered Accountant in 1995, continues to hold the current equivalent designation of Chartered Professional Accountant, and has been recognized as a specialist in investigative and forensic accounting by the Canadian Institute of Chartered Accountants.

[30] In preparation for the Funds Analysis, Staff obtained records from five banks and eight registered firms, all of which records were in the name of Mr. Goddard or Black Panther, or were connected to transactions at issue in this proceeding, including some brokerage records relating to Note Holders.

[31] The Funds Analysis reveals that the 16 Note Holders, some of whom invested more than once, paid the respondents a total of $425,607 during the Material Time, beginning with the first investment in July 2012. Staff traced all of the Note Holders' investments as they were deposited into one of three bank accounts (two in the name of Black Panther and one in the name of Mr. Goddard).

[32] The analysis shows that Mr. Goddard used funds to pay other Note Holders, to pay utility and credit card accounts, to make numerous cash withdrawals, and to transfer Note Holders' funds to his personal account and to his son, daughter, and a woman Mr. Goddard described as his life partner. There is no evidence that the respondents used the Note Holders' funds for general business operations of Black Panther. We review the Funds Analysis in more detail in our discussion of the use of the Note Holders' funds beginning at paragraph [128] below.

[33] In cross-examining Ms. Brown, Mr. Goddard suggested that she had been selective in her analysis, particularly with respect to transactions that pre-dated the Material Time. In their written submissions, the respondents assert without particulars that "Staff's analysis of accounts is flawed". The respondents chose not to provide any "evidence on this front" due to alleged promises "to others regarding confidentiality".

[34] Ms. Brown explained the methodology she used to prepare the Funds Analysis, including that the analysis focuses on and traces transactions relating to Note Holders' funds. Her testimony was unimpeached on cross-examination and the respondents adduced no evidence to suggest that any of the information or conclusions contained in the Funds Analysis are incomplete, unwarranted or unreliable.

[35] We have no evidence that there were any promises of confidentiality that dissuade the respondents from explaining why they say the Funds Analysis is flawed. Even if such promises exist, they cannot override the power of the Commission to summons witnesses who have relevant evidence to give, or Mr. Goddard's obligation to respond fully to the summons issued to him for his compelled examination.

[36] The respondents have also suggested that they have other accounts that are not reflected in the Funds Analysis. Nothing in that analysis points to any Note Holder funds transferring to any unidentified account, and again, the respondents chose not to adduce any evidence to support their contention.

[37] Accordingly, there is no reason for us to suspect that a flaw exists in the Funds Analysis, and we accept it as an accurate analysis of the relevant transactions.

B. Note Holder witnesses

[38] Staff called three Note Holders as witnesses. We found all three witnesses to be helpful, forthright and credible.

[4] *F.H. v. McDougall*, 2008 SCC 53 at paras 44, 49.

1. Ms. P.

[39] At the beginning of the hearing, Mr. Goddard objected to Ms. P. testifying, on the ground that she takes medicine that affects her memory. We allowed Ms. P. to testify, and confirmed to Mr. Goddard that he would have the opportunity to challenge her memory and her evidence in cross-examination, and to make closing submissions as to the weight we ought to attribute to her evidence.

[40] Ms. P. is a federal government employee who lives in Ottawa. Ms. P. met Mr. Goddard in September 2012 through his daughter, Ms. P.'s co-worker, who told Ms. P. that Mr. Goddard invested money for people, and who sent Ms. P. a one-page Black Panther marketing pamphlet entitled *The 20% Solution*. That pamphlet offered "hands-on management" by Mr. Goddard, who was described as having "[a]lmost 30 years as a financial professional with accreditations few have achieved." The pamphlet listed accreditations for Mr. Goddard of CIM (Chartered Investment Manager), DMS (Derivatives Market Specialist) and CMT (Chartered Market Technician).

[41] The pamphlet also said that for investments between $1,000 and $50,000, the investor would "write a cheque to Black Panther Trading Corporation and receive [the] investment plus 20% in one year." For investments of at least $50,000, the investor was to create an account at Questrade Inc. and name Mr. Goddard as trading authority on the account. The pamphlet specified that "[m]anagement fees are charged only if a 20% return is achieved (annualized). Any return above 20% is divided in half and charged as a management fee …", and that "due to the active management required", that option would be limited to 20 investors.

[42] Ms. P. testified that at the time of her introduction to Mr. Goddard, her knowledge about investments was "on a scale of 1 to 100, zero." She had investments totaling approximately $50,000 in two RSP accounts, one of which held a locked-in plan. Ms. P. "wasn't interested in high risk" and wanted "something that was safe but that would make [her] some money."

[43] In September 2012, after Ms. P. sent a summary of her holdings to Mr. Goddard by email, Mr. Goddard replied:

> The problem with those holdings are [*sic*] that they are very middle of the road and will never make what they could with active management.
>
> I suggest we create new investment accounts for you and transfer your accounts. They will then be actively traded. They [*sic*] doesn't mean more risk than you have now …
>
> The accounts you have now charge fees whether they make you money or not. I propose to only charge you fees if I exceed an annualized rate of 20%.
>
> Whatever you earn above 20% we split. For example if you make 30%, you get the first 20% and we split 10% ... you receive 25% and I get 5%. [ellipsis in the original]

[44] Ms. P. followed Mr. Goddard's instructions. In late 2012, she opened a trading account at Questrade Inc., transferred in her locked-in RSP, and gave Mr. Goddard trading authority over the account. Several months later she deregistered her other RSP, paid the applicable income tax of approximately $7,000, and in February 2013 paid the remaining $18,157.98 to Black Panther. Ms. P. understood from Mr. Goddard that he would "trade [her funds] and make [her] a good return." Mr. Goddard provided Ms. P. with a Letter of Understanding that reflected the investment of $18,157.98, that characterized the investment as a "debt obligation" and that promised a payment of $23,605.37 on or before February 28, 2014, which represented a stated 30% interest rate. Ms. P. testified that Mr. Goddard also promised to reimburse her for the income taxes she paid as a result of deregistering her RSP.

[45] Between August 2013 and July 2015, the respondents made seven payments to Ms. P., totaling $6,500. Ms. P. has repeatedly asked the respondents to pay her the balance owing, without success. We reject the respondents' assertion in written submissions that for Ms. P., as with all investors who "melted down" their RSP (to use the respondents' words in promotional materials), the "program was for five years … [and the] notes were markers along the way." That assertion is unsupported by any evidence and is directly contradictory to the documents themselves, to Ms. P.'s testimony, and to Mr. Goddard's own statement to Ms. P. by email of November 17, 2015, in which Mr. Goddard says that her "note matures in may [*sic*] of 2016."

[46] Ms. P. does not know whether the funds she transferred to Questrade still exist. She describes the loss of even the principal amount paid to Black Panther of $18,157.98 as "huge" and "devastating", since she "can't make enough money to be able to save that again" before she retires.

[47] With respect to the memory issues referred to above, Ms. P. testified on direct examination that she "sometimes [has] difficulties with word retrieval due to side effects of medication [she is taking], especially when [she is] stressed." She

acknowledged on cross-examination that she has a "terrible memory". In written submissions, the respondents repeated their objection, asserting that Ms. P. "should never have been brought in to testify since she admitted to being on medication that affected her memory."

[48] We have no reason to discount Ms. P.'s evidence about her investment knowledge and risk tolerance, or about what she understood Mr. Goddard would do with her funds. All of that was corroborated in material respects by documents filed as exhibits, and none of it was contradicted by any other evidence. In fact, Ms. P. recalled with precision, and without relying on documents, details about her financial affairs including regarding her two separate accounts.

2. Mr. C.

[49] Mr. C. is a resident of Ottawa who has been unemployed since 2014. In February 2012, he contacted Mr. Goddard, whom he had met many years earlier, but with whom he had lost touch. After some initial discussions, Mr. Goddard gave Mr. C. a two-page marketing document (plus attached charts), on Black Panther Trading Seminars letterhead, that advertised "Corporate Notes (similar to GICs)" and offered a one-year return of 15% and a two-year return of 20% per year.

[50] The document explained:

> The investor issues a cheque to the corporation which is deposited into the corporate bank account and is covered by CDIC.
>
> The monies are then transferred to trading accounts: stocks and options – RBC Direct; Currencies (primarily the Forex market) – Questrade and Commodities and foreign stocks and indices – CMC Markets. These firms are registered investment firms and as such are covered by CIPF. This protects accounts against insolvency to a limit of one million dollars per account.
>
> ...
>
> In conclusion: given that CDIC has less than two billion dollars in cash with an ability to borrow twenty billion more to cover deposits exceeding six hundred and twenty billion, I believe this investment structure has no more risk than a GIC.

[51] In August 2012, at Mr. Goddard's suggestion, Mr. C. gave Mr. Goddard trading authority over an existing Questrade account that contained Mr. C.'s Tax Free Savings Account. In an email to Mr. C., Mr. Goddard explained the terms of this arrangement:

> As discussed the management set up for accounts that remain in the name of the investor is as follows:
>
> A management fee only kicks in if a return of 20% annualised is achieved. This is calculated quarterly. So, anything over 5% is divided between the two of us. A 10% return on the quarter results in 7.5% for you, 2.5% for me.

[52] These terms were confirmed in a contract prepared by Mr. Goddard and signed by Mr. C., which stated that "Charles Goddard will manage and trade this account" for the management fee specified above, to "be paid to Black Panther Trading Corporation".

[53] The process to authorize Mr. Goddard to effect trades in Mr. C.'s Questrade account was not completed until November 2012. In the meantime, Mr. Goddard instructed Mr. C. to make specific trades, and Mr. C. followed those instructions. When Mr. Goddard received authority to trade in Mr. C.'s account, he did so. Mr. Goddard did not consult with Mr. C. before making a trade. In early January 2013, Mr. Goddard prepared an invoice to Mr. C. in the amount of $950 for management fees for "the first quarter", for both the specific trades recommended and the trading services provided. Mr. C. paid the $950.

[54] In the spring of 2013, Mr. Goddard said he was dissatisfied with Questrade's trading platform, and he ceased to manage Mr. C.'s Questrade account. At Mr. Goddard's suggestion, and following Mr. Goddard's representations that an investment with Black Panther directly would yield an annual return of 30%, Mr. C. invested $3,000. Mr. Goddard gave Mr. C. a Letter of Understanding that confirmed Black Panther's obligation to pay Mr. C. $3,900 on or before June 17, 2014. Mr. Goddard advised that he would earn the necessary returns by investing the funds.

[55] Mr. C.'s evidence was consistent with the documentary record and was unimpeached on cross-examination. We accept his testimony without reservation.

3. Mr. S.

[56] Mr. S. is a resident of Ottawa who was enrolled in the same part-time MBA program as Mr. Goddard's son. In March 2014, Mr. Goddard contacted Mr. S. through LinkedIn and sent a message that said, in part: "20% returns are possible with active trading. If you are the least bit interested in hearing how, please contact me." Mr. Goddard also sent a broadcast message to his LinkedIn connections, including Mr. S., that stated:

> My goal for my company – Black Panther Trading Corporation – is 50 investors with an average investment of $10,000 (min is $1,000, max is unlimited) in the form of a corporate note (similar to a GIC) for which they will receive a one year return of 20%! There are 42 places left.

[57] Mr. S. told Mr. Goddard that he was interested in receiving more information. In the ensuing months, Mr. Goddard copied Mr. S. on emails sent to a number of people, which emails included portfolio performance updates, showing monthly returns for May and June 2014 of 13.2% and 36.33% respectively. In a later meeting between them, Mr. Goddard told Mr. S. that any investment Mr. S. might make would be no more risky than a GIC.

[58] In August 2014, Mr. S. decided to invest $3,000 with Mr. Goddard to "test the waters". Mr. Goddard gave Mr. S. a Letter of Understanding that acknowledged receipt of the $3,000 and that promised a payment of $3,600 one year later, for an annual return of 20%. Mr. Goddard told Mr. S. that the funds would be pooled with other investors' money and invested in currencies and commodities. Mr. S. ultimately received the payment contemplated by the Letter of Understanding when it was due.

[59] After Mr. S. invested the $3,000, he and Mr. Goddard discussed the possibility of Mr. S. moving his RSP from the firm that held the account. Mr. Goddard proposed that Mr. S. open a new account and give trading authority to him, and that Mr. S. remove money from his RSP so that Mr. Goddard could manage those funds more aggressively outside the RSP. Mr. Goddard explained that collapsing an RSP "is a strong option for most people", and illustrated this point by contrasting $100,000 earning 7% annually inside an RSP and then being cashed out after five years (for a net loss of $22,860), with cashing out $100,000, paying the applicable tax, and earning 25% per annum on the remainder for five years (for a net gain of $42,456).

[60] Mr. S. ultimately decided not to proceed with the transfer of his RSP. Instead, as Mr. Goddard had suggested, Mr. S. withdrew some of the funds in his RSP and on April 15, 2015, made a $15,000 payment directly to Black Panther, in return for a Letter of Understanding that promised repayment in two years with a 25% return compounded annually.

[61] The respondents have made no payment to Mr. S. in respect of the $15,000 investment. Mr. S. describes that amount as "a lot of money" for him.

[62] Mr. S. was a reliable witness whose testimony was consistent with the documentary record and was unimpeached on cross-examination. We accept his evidence without reservation.

C. The respondents' marketing activities

1. Introduction

[63] The respondents actively solicited investment in Black Panther using many methods, some of which have been referred to in our review of the three investor witnesses' evidence, and some of which were described in the testimony of an Investigator in the Enforcement Branch, who through her involvement in the investigation of this matter was aware of complaints made by other members of the public. The Investigator's evidence was unimpeached on cross-examination and, as with all of Staff's evidence, was uncontradicted by any evidence adduced by the respondents. In many respects, it was consistent with admissions made by Mr. Goddard on his compelled examination.

2. Staff's evidence

[64] Mr. Goddard sent unsolicited marketing brochures to various people, including to some whom he did not know. He also provided copies to Ms. M., his life partner, who "handed them out". The one-page brochures:

a. were on letterhead titled "Black Panther Trading Seminars";

b. bore the headline "It is time to … MELT DOWN YOUR RRSP";

c. provided Mr. Goddard's email address and telephone number;

d. suggested that the reader of the brochure contact Mr. Goddard for details of a "strategy" if the reader wanted "a great return (20%)"; and

e. set out a sample five-year calculation that contemplated "Proceeds invested with Black Panther Trading Corp".

[65] Mr. Goddard also created and distributed a booklet that he called *Roller Coaster*. The document, on letterhead for "Black Panther Trading Seminars", told readers that "with a little effort you could learn enough to make your own investment decisions … Or, as many have decided, I can do it for you" [emphasis in the original]. *Roller Coaster* went on to say: "This entity has been operational for a little more than a year. Investors have made deposits and received their funds back with their return as promised." *Roller Coaster* contained purported testimonials from satisfied investors and represented that:

a. to generate the advertised return of 20% per year, it would be necessary to invest in stocks, options, commodities and currencies;

b. Mr. Goddard could generate the advertised return, or "[I]f you so choose I can teach you how to use some basic tools so that you can make your own decisions.";

c. investors would receive "Notes confirming indebtedness" from Black Panther;

d. investors' contributions would be deposited to Black Panther's bank account and would therefore be covered by the Canada Deposit Insurance Corporation;

e. investors' contributions would be transferred to trading accounts at registered investment firms, and would be insured by the Canadian Investor Protection Fund; and

f. the proposed investment structure "has no more risk than a GIC".

[66] Further, Mr. Goddard created flyers advertising Black Panther, inserted some of those flyers into newspapers at a local coffee shop, and left some flyers on a coffee table at a local car dealership.

[67] The respondents posted advertisements on the Kijiji website, one of which was titled "30% solution" and stated:

> [Black Panther] also offer[s] corporate notes (similar to GICs) that promise a one year return of 30% for funds received prior to the end of February, 2014. Funds are transferred via PayPal if the investor resides outside of Ottawa. (investment can be as little as $500).

[68] A second Kijiji advertisement entitled "Learn how to Trade and Invest PROFITABLY" offered, for $29.95, an e-book and "one year of consultation" with Goddard, during which purchasers were encouraged to "[a]sk about potential trades you wish to place".

[69] In March 2014, a Staff member using an assumed name and a covert email account responded to the "30% solution" Kijiji advertisement, asking for more information. Mr. Goddard replied, attached a copy of his *Roller Coaster* booklet and advised that he would "honour the rate advertised" (20%) if the Staff member took "action over the next few days".

[70] The Staff member replied noting that the Kijiji advertisement offered a rate of 30%. Mr. Goddard responded and indicated that he would honour that rate. In answer to the Staff member's comment about bank rates, Mr. Goddard said: "Please keep in mind that the bank or entities that you know give you a very low interest rate and then turn the money over to trading rooms which do exactly the same thing as I have set out in the material I sent you."

[71] Mr. Goddard sent further emails to Staff's covert account as a "BCC" addressee. These emails, which begin "Hi Everyone", purport to give updates about the trading portfolio managed by the respondents, including returns of 13.2%, 36.3%, 17.4%, 18.0% and 18.5% in each of May through September 2014 respectively.

[72] The respondents submit that we should disregard the evidence relating to Staff's response to the advertisement. The respondents argue that this information was obtained through a "sting operation". We reject this submission. There was nothing improper about the steps Staff took. In February 2014, Staff received several complaints about the respondents' activities. In March, when Staff responded to the Kijiji advertisement, Staff was investigating the respondents' conduct in good faith. Staff merely requested further information that was offered in the advertisement and that was provided to others. The evidence obtained through Staff's covert email account is admissible and reliable.

[73] Mr. Goddard also created a Twitter account that he used to publicize that he was "creating an investment fund, like a mutual fund but with some juice", and that "20% returns are possible". On his LinkedIn profile he claimed to be a "market wizard" in the "financial services industry" and a "Trader" for Black Panther.

[74] Mr. Goddard posted material on the IndieGoGo crowdfunding platform. This site, which Mr. Goddard advertised in a newspaper, stated that its goal was to "Raise a pool of capital for active trading in the marketplace", and added:

> The concept is for investors to deposit money into my trading corporation and one year later I send them back their money plus a guaranteed 20% return.
>
> …
>
> I earn money by actively trading in various markets, mainly, currencies, stocks and options, and commodities … Each investor will receive a 20% return on their investment one year after investment. Once I receive an investment I send out a "Letter of Understanding" that confirms receipt of the funds and the date and amount to be returned.

[75] Mr. Goddard included on the IndieGoGo site a profile of himself, in which he stated that Black Panther "does only one thing and that is trade in the marketplace."

[76] Finally, Mr. Goddard placed an advertisement in an Ottawa grocery store, referring readers to the IndieGoGo website and to Black Panther's own website.

3. The respondents' position

[77] The respondents do not contest any of the facts set out above, although they do offer a different interpretation.

[78] In written submissions, the respondents assert that the brochures they distributed "were for … workshops and individual tutoring." It is true that some of the brochures included such references. However, not all did, and even where there were such mentions, the above excerpts make clear that those activities were not the only purpose of the solicitations, and in most instances were clearly not the dominant purpose.

[79] The respondents also submit that the "20% solution" reference in the pamphlet given to Ms. P. "was not to do with return on investments, it was to do with improving the return on your portfolio and lowering the risk profile by actively trading 20% of the portfolio." This submission is directly contradicted by the pamphlet itself, which refers three times to an annual rate of return of 20%, with no reference to a portion of the portfolio being traded.

III. ANALYSIS

A. Are the Letters of Understanding "securities"?

1. Introduction

[80] We begin our analysis of the legal issues with Staff's submission that the Letters of Understanding are "securities" as that term is defined in the Act. The respondents submit that the Note Holders loaned money to Black Panther for a fixed period and a fixed return, and that the loans are "notes" or "debentures", not securities.

[81] The definition of "security" in subsection 1(1) of the Act comprises sixteen subdivisions, which as the Supreme Court of Canada held in *Pacific Coast Coin Exchange v Ontario (Securities Commission)* ("***Pacific Coast***"), are not mutually exclusive.[5] In the Statement of Allegations, Staff alleges that each Letter of Understanding was a security because it met one or both of the following subdivisions:

> (e) a bond, debenture, note or other evidence of indebtedness…,
>
> …
>
> (n) any investment contract, …

[82] In written submissions, Staff pursued only the "investment contract" subdivision of the definition. However, the respondents in their written submissions state numerous times that the Letters of Understanding are loans to Black

[5] [1978] 2 SCR 112 at 127.

Panther, and therefore not securities. Because the parties' submissions, taken together, engage the two subdivisions of the definition of "security" cited above, we will address both.

2. Investment contract

[83] The term "investment contract" is not defined in the Act, but as the Supreme Court of Canada held in Pacific Coast, an investment contract will be found where: (i) there is an investment of funds with a view to profit, (ii) in a common enterprise, and (iii) the profits are to be derived solely from the efforts of others.[6]

[84] In describing the second and third prongs of the test to determine the existence of an investment contract, the Supreme Court of Canada held that:

> … such an enterprise exists when it is undertaken for the benefit of the supplier of capital (the investor) and of those who solicit the capital (the promoter). In this relationship, the investor's role is limited to the advancement of money, the managerial control over the success of the enterprise being that of the promoter; therein lies the community. In other words the "commonality" necessary for an investment contract is that between the investor and the promoter. There is no need for the enterprise to be common to the investors between themselves.[7]

[85] It is beyond doubt that the Note Holders advanced funds to Black Panther or Mr. Goddard with a view to a profit. While the Letters of Understanding specified a fixed rate of return, rather than a variable rate based on the investment performance of the Note Holder's funds, this fact does not diminish the Note Holders' dependence upon the managerial control exercised by the respondents.

[86] The investors in *Pacific Coast* were:

> dependent upon the quality of the expertise brought to the administration of the funds … If Pacific does not properly invest the pooled deposit, the purchaser will obtain no return on his investment regardless of the prevailing value of silver; there is nothing that the customer can do to avoid that result.[8]

[87] That characterization applies equally in this case. The Note Holders were solicited by Mr. Goddard on the strength of his advertised experience and expertise, including his accreditations listed in the various brochures. Other than the advising service provided to Mr. C., Black Panther's only business was trading, as is reflected in Mr. Goddard's statement on the IndieGoGo platform, referred to in paragraph [75] above, that Black Panther "does only one thing and that is trade in the marketplace." While there was some evidence that Black Panther offered "trading seminars", there is no evidence that the company ever earned any revenue from doing so. Because the company's only revenues were derived from trading conducted by Mr. Goddard, a Note Holder's ability to be paid the amount promised was entirely dependent upon Mr. Goddard, and the Note Holder was not involved in the trading that was required for Black Panther to earn the returns necessary to fulfill its obligations under the Letters of Understanding.

[88] The respondents' efforts to characterize the Letters of Understanding as loan agreements that are not subject to the Act "do not detract from the true nature of the agreement[s] as … investment agreement[s]", to use the words of the Commission when it was considering similar circumstances in *Re Rezwealth Financial Services Inc.* ("***Rezwealth***").[9] While some parts of the advertisements, documents and communications used terminology that suggested loans, many other parts emphasized the makeup and performance of Black Panther's portfolio and sold the Letters of Understanding as a Note Holder's opportunity to participate in the capital markets. As the Supreme Court of Canada held in *Pacific Coast*, "[s]ubstance, not form, is the governing factor",[10] so we must look beyond the form of the Letters of Understanding and instead to their true substance.

[89] Mr. C. expressly rejected Mr. Goddard's suggestion on cross-examination that his funds were a "business loan". His understanding, and the understanding of the other investor witnesses that they were making "investments", is consistent with the message to that effect in Black Panther's advertisements, promotional materials, websites and updates delivered to existing and potential Note Holders.

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6 *Pacific Coast* at 128.

7 *Pacific Coast* at 129-30.

8 *Pacific Coast* at 130.

9 (2013), 36 OSCB 7446 at para 222.

10 *Pacific Coast* at 127.

[90] We conclude that the Letters of Understanding are in substance investment contracts, since as in *Pacific Coast* "it is obvious that an investment of money has been made with an intention of profit",[11] and that profit was entirely dependent upon the respondents' efforts in the common enterprise between the Note Holder and the respondents.

3. Evidence of indebtedness

[91] Even if we were to accept the respondents' submission that the Letters of Understanding reflected loans and not investments, it would not necessarily follow that those agreements are outside the Act's jurisdiction, given that the definition of "security" includes a "note" or "other evidence of indebtedness". The Act is remedial legislation and must be interpreted broadly in a manner consistent with its purposes, including investor protection.

[92] Whether a promissory note is a security depends on its substance and on the surrounding circumstances. We have no difficulty reaching the conclusion that the Letters of Understanding are, in substance, evidence of indebtedness within the meaning of paragraph (e) of the definition of "security" in subsection 1(1) of the Act. We base that conclusion on the following factors:

a. throughout the Material Time, using numerous methods and on numerous occasions, the respondents advertised to the general public and solicited funds from those who expressed interest;

b. the respondents' marketing materials were consistent with a contribution of funds being an investment opportunity;

c. the respondents sought the investments exclusively to fund trading in the capital markets;

d. the respondents made representations regarding historic performance and regarding Mr. Goddard's personal experience and expertise in the capital markets, to induce the Note Holders to contribute funds; and

e. the investors' only recourse is an unsecured claim against the respondents, and no other regulatory protection is available, all of which buttresses the conclusion that the investor protection purpose of the Act is promoted by extending the Act's provisions to the Letters of Understanding.

4. Conclusion as to "securities"

[93] For these reasons, we find that each Letter of Understanding is a security because it was an investment contract as well as evidence of indebtedness subject to the Act.

B. Unregistered trading in securities

[94] Subsection 25(1) of the Act prohibits a person or company from "engaging in the business of trading in securities", or from holding themselves out as doing so, unless the person or company is properly registered or is exempt under Ontario securities law. As noted above, neither respondent was registered during the material time.

[95] If Staff demonstrates that the respondents engaged in an activity that would be a breach of Ontario securities law but for the existence of an exemption which the respondents say is available to them, the respondents would then bear the burden of identifying the exemption and of demonstrating that they are entitled to rely on it.[12] In this case, the respondents did not suggest that either of them was entitled to an exemption from the prohibition in subsection 25(1) of the Act, and there is no evidence that at any time they purported to rely on an exemption. We therefore need only consider whether the respondents engaged in the business of trading in securities or held themselves out as doing so.

[96] "Trade" is defined in subsection 1(1) of the Act to include "any sale or disposition of a security for valuable consideration". It is undisputed that the respondents issued the Letters of Understanding in return for funds invested by the Note Holders. Because we have found that each Letter of Understanding is a security, it follows that each issuance of a Letter of Understanding was a trade in that security.

[97] We must still determine whether the respondents were required to be registered. Registration is a cornerstone of Ontario securities law. The requirement protects investors and promotes confidence in Ontario's capital markets by seeking to ensure that anyone who is in the business of selling or promoting securities meets the necessary standards of proficiency, solvency and integrity, among others.[13] The requirement also affords the Commission and self-

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11 *Pacific Coast* at 128.

12 *Re Limelight Entertainment Inc.* (2008), 31 OSCB 1727 ("***Limelight***") at para 142; *Re First Global Ventures, S.A.* (2007), 30 OSCB 10473 ("***First Global***") at para 141.

13 Clause 27(2)(a) of the Act.

regulatory organizations the necessary opportunity to monitor registrants' conduct and to act where appropriate in order to achieve the purposes of the Act.[14]

[98] The Commission has adopted Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**31-103CP**"), which among other things sets out "criteria to be considered in determining whether a person or company is engaged in a business when trading or advising in securities".[15] This "business purpose" test in section 1.3 of 31-103CP includes the following factors:

a. directly or indirectly carrying on the activity with repetition, regularity or continuity, especially trading in any way that produces, or is intended to produce, profits; and

b. directly or indirectly soliciting, including contacting anyone by any means to solicit securities transactions.

[99] Both criteria are satisfied in this case. Using many means of communication over several years, the respondents repeatedly solicited members of the public to invest in Letters of Understanding, with the ostensible goal of realizing returns in excess of the rates promised to the Note Holders and thereby generating profits for the respondents.

[100] The respondents consistently and repeatedly held themselves out as being engaged in the business of trading. The above circumstances by themselves lead us to that finding, but also permit no other conclusion when combined with the fact that Black Panther carried on no material business other than issuing Letters of Understanding in return for investor funds. The respondents thereby breached subsection 25(1) of the Act.

C. Illegal distribution of securities

[101] Subsection 53(1) of the Act prohibits a person or company from trading in a security if the trade would be "a distribution of the security", unless a prospectus has been filed or an exemption is available. Like the registration requirement, the requirement to file a prospectus is a cornerstone of Ontario securities law.[16]

[102] The respondents' trades of the Letters of Understanding were a "distribution" as defined in subsection 1(1) of the Act, since the Letters of Understanding had "not been previously issued". Black Panther filed no prospectus with the Commission. Each trade was therefore a breach of subsection 53(1) of the Act unless the respondents identify an exemption and show that they may rely on it.[17]

[103] The respondents submit that they were entitled to the benefit of the friends, family and business associates exemption ("**FFBA Exemption**") provided for in subsection 2.5(1) of NI 45-106. A trade that is a distribution is not exempt under that provision unless the purchaser of the security purchases as principal and, if an individual, has a relationship with the issuer that is listed in paragraphs (a) through (g) of subsection 2.5(1) of NI 45-106 (*e.g.*, specified family members, close personal friends, and close business associates).

[104] That exemption did not apply in Ontario until Subsection 2.6.1(1) of NI 45-106 made it available on February 19, 2015. The coming into force of an exemption does not have retroactive effect unless expressly provided for, which it was not with respect to the FFBA Exemption. The exemption was therefore unavailable to the respondents before February 19, 2015. All but one of the Letters of Understanding were issued before that date, and as a result the respondents distributed each of those securities in breach of subsection 53(1) of the Act.

[105] The only Letter of Understanding issued after February 19, 2015, was to Mr. S., who was neither a family member, nor a close personal friend, nor a close business associate of Mr. Goddard's. Rather, Mr. S. was an acquaintance of Mr. Goddard's son, and was solicited by Mr. Goddard through LinkedIn. The respondents were not entitled to rely on the FFBA exemption with respect to Mr. S., and therefore the distribution to Mr. S. was also in breach of subsection 53(1) of the Act.

D. Business of advising

[106] Subsection 25(3) of the Act provides that unless an exemption is available, or the person or company is properly registered, no person or company shall "engage in the business of, or hold himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in, buying or selling securities".

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14 *Limelight* at para 135; *Re Momentas Corporation (*2006), 29 OSCB 7408 at para 46.

15 *Re Moncasa Capital Corp.* (2013), 36 OSCB 5320 at para 40; *Rezwealth* at para 211.

16 *Jones v FH Deacon Hodgson Inc* (1986), 9 OSCB 5579 (Ont HC) at para 10.

17 *Limelight* at para 142; *First Global* at para 141.

[107] The business purpose test discussed above with respect to trading applies equally to advising.[18] In considering Staff's allegation that the respondents engaged in the business of advising in securities, or that they held themselves out as being in that business, we take into account additional factors listed in section 1.3 of 31-103CP, beyond those mentioned in paragraph [98] above, and we consider them in the context of this allegation. The factors include:

a. engaging in activities similar to those of a registrant;

b. directly or indirectly carrying on the activity with repetition, regularity or continuity, especially advising in any way that produces, or is intended to produce, profits;

c. being, or expecting to be, remunerated or compensated for advising; and

d. offering advice for the purpose of directly or indirectly soliciting securities.

[108] In January 2013, Mr. C. paid $950 to Black Panther. On his compelled examination, Mr. Goddard testified that the fee was for coaching as opposed to trading, acknowledging that his "doing the investments" would be prohibited. This answer conflicts with Mr. C.'s evidence that in return for the fee Mr. Goddard instructed him to make specific trades. The answer also conflicts with the terms of the agreement prepared by Mr. Goddard and referred to in paragraph [52] above, which expressly called for "management fees" to be paid to Mr. Goddard in return for his "manag[ing] and trad[ing] this account".

[109] We accept Mr. C.'s evidence, and the written agreement speaks for itself. In cross-examining Mr. C., Mr. Goddard did not put to Mr. C. the suggestion that the $950 was for coaching about general trading techniques as opposed to instructing Mr. C. to make specific trades, for at least part of the period represented by the $950 fee. We therefore have no basis upon which to find that the $950 was for anything other than what Staff alleges.

[110] As a result, we conclude that with respect to Mr. C. the respondents meet at least two of the factors enumerated in 31-103CP. First, they engaged in activities similar to a registrant, in that they provided the precise service that many registrants provide, and for which those registrants require their registration. Second, the respondents were in fact compensated for advising. As the Commission has previously held, the presence of compensation for the service is a strong, if not conclusive, indicator of a business purpose.[19]

[111] The respondents offered the same service more broadly to the public. In the Kijiji advertisement referred to in paragraph [68] above, the respondents offered, for a fee, to give advice with respect to specific trades.

[112] We therefore conclude that the respondents jointly engaged in the business of advising Mr. C. with respect to investing in securities and thereby breached subsection 25(3) of the Act, and that the respondents further breached that subsection by holding themselves out as being engaged in the business of advising with respect to specific securities transactions.[20]

E. Fraud

1. Introduction

[113] Staff alleges that the respondents perpetrated fraud by committing the following acts:

a. misrepresenting to existing and potential Note Holders the returns earned by the respondents through the trading of Note Holders' funds;

b. failing to honour representations to the Note Holders that the funds invested by them would be pooled with funds of other Note Holders, and that these funds would be traded in the capital markets; and

c. representing to existing and potential Note Holders that their investment funds were guaranteed by the Canadian Deposit Insurance Corporation ("**CDIC**"), that the funds were then transferred to trading accounts that were covered by the Canadian Investor Protection Fund ("**CIPF**"), that a number of steps had been taken to minimize trading risk, and that Black Panther's investment structure carried no more risk than a Guaranteed Investment Certificate ("**GIC**").

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18 *Re International Strategic Investments* (2015), 38 OSCB 2354 ("*International Strategic*") at para 50.

19 *International Strategic* at para 51.

20 *Costello v. Ontario (Securities Commission)*, 2004 CanLII 2651 (ON SCDC) at paras 40-64; *International Strategic* at para 54.

[114] Staff alleges that each of these actions contravened clause 126.1(1)(b) of the Act,[21] which provides, in part:

> A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities … that the person or company knows or reasonably ought to know… perpetrates a fraud on any person or company.

2. Analysis

(a) Law

[115] In order to prove that a respondent has committed a fraud, Staff must establish both an act of the necessary fraudulent quality (often called the "*actus reus*") and that the respondent had the necessary guilty mind or wrongful intention (often called the "*mens rea*").[22]

[116] The Supreme Court of Canada held in *R v Théroux* ("***Théroux***") that the *actus reus* has two components, each of which must be proven:

a. an act of deceit, a falsehood or some other fraudulent means; and

b. a resulting deprivation, which may be real (an actual loss) or potential (*e.g.*, placing the victim's pecuniary interests at risk).[23]

[117] An act is of deceit or is a falsehood if the person who committed it "as a matter of fact, represented that a situation was of a certain character, when, in reality it was not." The third category, "other fraudulent means", includes "the use of corporate funds for personal purposes, non-disclosure of important facts … [and] unauthorized diversion of funds."[24]

[118] The *mens rea* of fraud examines the mental state of the person alleged to have committed the fraud, and typically focuses on that person's degree of appreciation for the potential consequences of the alleged fraudulent act. Staff may prove this element either by direct evidence or by relying on an inference that can be drawn from the act itself.[25] Where an individual "tells a lie knowing others will act on it and thereby puts their property at risk, the inference of subjective knowledge that the property of another would be put at risk is clear."[26] Alternatively, "[r]ecklessness presupposes knowledge of the likelihood of the prohibited consequences".[27]

[119] A corporation may be found to have breached clause 126.1(1)(b) of the Act if the corporation's directing mind knew or ought reasonably to have known that the corporation perpetrated a fraud.[28]

[120] We now examine each of the three categories of alleged fraud referred to in paragraph [113] above.

(b) Returns earned

[121] The respondents made many representations about the performance of Black Panther's investment portfolio. In emails sent to existing and potential investors, including Mr. S., the respondents asserted that the portfolio had earned returns ranging from 13.2% to 36.3% per month from May to October 2014. On January 8, 2015, Mr. Goddard told the principal of the firm he was seeking to join that his "return in 2014 for the accounts [he] manage[d]" was 63.48%.

[122] The records available to Staff that were admitted into evidence reflect neither the extraordinary returns claimed by the respondents and used by them to entice investment in Black Panther, nor any positive return at all over the Material Time.

[123] It was, of course, open to the respondents to tender evidence to the contrary. The summons issued to Mr. Goddard required him to produce a list of all bank and brokerage accounts held by him and/or Black Panther, and on his examination Staff asked Mr. Goddard to identify all institutions at which accounts were held. In his response to undertakings given on the examination, Mr. Goddard asserted with respect to accounts that might demonstrate the advertised returns that he did "not have access to these records any longer" and that he was "in the process of

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21 Formerly paragraph 126.1(b) of the Act, and renumbered in 2013 without any change to the text of the provision.

22 *Rezwealth* at para 253.

23 *Rezwealth* at paras 253-58, citing *R v Théroux*, [1993] 2 SCR 5.

24 *Théroux* at 16-17.

25 *Théroux* at 17-21.

26 *Théroux* at 21.

27 *Théroux* at 20.

28 *Re Al-Tar Energy Corp.* (2010), 33 OSCB 5535 at para 221.

gathering all this information for my accountant, but due to my time and other constraints, it is not available at this time."

[124] When the principal of the firm Mr. Goddard was seeking to join asked repeatedly for proof to support the returns claimed, Mr. Goddard initially advised that he had "no problem disclosing the accounts [he was] involved with." However, he stated that even though "[o]ver the past eight months [he had] recorded every trade [he] made", he could not provide the proof requested, since he had "no way of providing the statement(s)" that the principal was seeking.

[125] In their written submissions the respondents repeat these assertions, referring to trades "across many accounts" and returns from "several accounts" in respect of which Mr. Goddard doesn't "have access … anymore", and stating that "Staff do not have all accounts". In response to Staff's written submission, with which we concur, that client records ought to be readily available, the respondents reply that Mr. Goddard "also said [he] would not be revealing details of any accounts that involved other people." This answer is either a deceitful attempt to avoid the truth that no such accounts exist, or it is a clear refusal to comply with his legal obligation under the summons issued to him. Either way, it is of no benefit to the respondents.

[126] The evidence leaves us with no difficulty concluding on a balance of probabilities that the Funds Analysis comprises information from all of Black Panther's and Mr. Goddard's bank and brokerage accounts through which any of the Note Holders' funds might have passed. In particular, we note as Staff has that all of the Note Holders' initial investments are accounted for, and there is no indication that any of those funds flowed into an account that is not included in the Funds Analysis. The only reasonable conclusion is that there is no other account in which funds remain or in which the advertised returns were realized.

[127] We therefore conclude that Mr. Goddard knowingly made false representations as to the performance of Black Panther's trading portfolio. These false and deceitful acts caused at least a potential risk of deprivation, if not actual loss, to those who were induced to invest in Black Panther on the strength of these representations. The representations were fraudulent.

(c) Use of funds

[128] All three investor witnesses testified that they expected their funds to be traded in the market, and that they did not authorize Mr. Goddard to use their funds to pay his personal expenses, to make repayments to other investors, or to use as Mr. Goddard wished in a business venture. Their testimony is uncontradicted by other evidence, was unimpeached on cross-examination, and is corroborated by the respondents' promotional documents (*e.g.*, the pamphlet sent to Mr. C., referred to in paragraph [50] above).

[129] In contrast to these expectations, Staff's Funds Analysis demonstrates the following:

a. less than 24% of the total funds advanced by the Note Holders to the respondents was ever transferred to a brokerage account;

b. when Note Holders' funds were transferred to a brokerage account, often most or all of these funds were soon returned to a Black Panther bank account;

c. of the approximately $101,201 that was transferred to brokerage accounts, a total of approximately $98,000 was ultimately returned, resulting in a net loss in those accounts of $3,000 during the Material Time;

d. the respondents often used Note Holders' funds to make payments to other Note Holders; and

e. the respondents also used Note Holders' funds for Mr. Goddard's personal benefit, including credit card payments in the name of Mr. Goddard and his life partner, cash withdrawals, as well as for transfers to related parties, including his son, daughter and life partner.

[130] Of the $425,607 raised from Note Holders, payments totaling $112,710 representing both principal and interest were made to some Note Holders. As at the time of Mr. Goddard's compelled examination, approximately $36,000 remained in the respondents' bank and brokerage accounts, resulting in a deficiency of approximately $277,000 that was spent or lost in trading. At least $328,000 of principal and interest continues to be owed to Note Holders by the respondents.

[131] The respondents' consistent misuse of Note Holders' investments is well illustrated by the activity in Black Panther's primary bank account immediately following the issuance of the first Letter of Understanding. On July 25, 2012, at which time the balance in the bank account was $2.74, the first Note Holder's investment of $5,000 was deposited into the account. Over the next week, the only other deposit to the account was $300 from an unknown source. During that week:

a. only $700 was transferred to a brokerage account;

b. $1,000 was withdrawn as cash;

c. $1,750 in payments were made to personal credit card and wireless service accounts, and for bank charges; and

d. $1,500 was paid to Mr. Goddard's daughter;

e. leaving a balance of $350.

[132] Ms. P.'s investment suffered a similar fate. Of her $18,157.98 deposited to Black Panther's bank account on March 25, 2013, no funds were transferred to a brokerage account. Her entire investment was depleted within six weeks, through transfers to Mr. Goddard's life partner of $6,500, credit card and utility payments of $3,000, payments totaling $2,300 to Mr. Goddard's daughter for "rent", $1,600 in cash withdrawals, $1,300 to Mr. Goddard's personal bank account, and other miscellaneous items.

[133] The respondents' use of one Note Holder's investment to pay another Note Holder is illustrated by the March 27, 2014, investment of $100,000 by a Note Holder, Mr. G. (unrelated to Mr. Goddard). That sum was deposited to a Black Panther bank account that was overdrawn at the time of the deposit. Within less than two months, the sums of $16,514 and $6,500 were paid from that account to two other Note Holders. A net sum of $22,000 was transferred to a brokerage account, and the remaining approximately $55,000 was paid to Mr. Goddard's life partner and to his son ($35,600 between them) and to credit card, retail store, and auto financing accounts, as well as to cash withdrawals and bank fees.

[134] A further example is the $16,000 investment by a Mr. K. and Ms. M on December 3, 2014. Two days later the respondents issued a cheque for $12,500 to Note Holder Mr. M., who had made an initial investment of $5,000 in September 2012, followed by investments of $2,500 in December 2012, $5,000 in May 2013, and $10,000 in October 2013.

[135] We did not hear evidence from these Note Holders, and therefore we do not know whether they or any other Note Holders were in fact induced to invest because promised payments had been made by the respondents to them or to others they knew. However, we do not need that kind of evidence to notice that the respondents' scheme shares one of the chief attributes of a Ponzi scheme, where new investor funds are used to pay earlier investors, with the inevitable result that eventually some investors will experience a loss, often of their entire investment.

[136] The evidence is overwhelming that the respondents' actions following receipt of the investor funds were dishonest, were inconsistent with their promises, were executed to the full knowledge of and at the direction of Mr. Goddard, and constituted "other fraudulent means" as referred to in paragraph [117] above. These acts caused all Note Holders to suffer a potential deprivation by having their pecuniary interests put at risk, since their funds were not where they expected them to be, nor were they being used as expected. In addition, most Note Holders suffered a real deprivation in that they have not been paid the funds owing to them. The respondents' assertion in written submissions that "[t]here is no one at this point owed any money" is not only unsupported by any evidence, it is expressly contradicted by the investor witnesses' evidence and by the Funds Analysis.

[137] As to Mr. Goddard's mental state with respect to the potential consequences of these transactions, we find that he was at least reckless as to whether the investors would suffer the potential and actual deprivation, given that the Note Holders entrusted their funds to Black Panther and relied on his promises that the funds would be invested. As called for in *Théroux*, we also infer from the very nature of Mr. Goddard's acts that he knew of the potential deprivation, if not the certainty of an actual loss. Absent any evidence or explanation to the contrary, we conclude on a balance of probabilities that Mr. Goddard's mental state meets the necessary test for fraud.

(d) Investment risk

[138] The respondents made various representations regarding risk in order to induce investment in Black Panther.

[139] In encouraging Ms. P. to move her existing investments, Mr. Goddard said in an email to her that doing so "doesn't mean more risk than you have now …". This statement was untrue with respect to the $18,157.98 that Ms. P. invested directly with Black Panther. By moving her funds to Black Panther, Ms. P. lost the benefit of a diversified portfolio, as well as any real protection against an insolvency of the firm at which the funds were held, or against a fraud, in this case by Mr. Goddard.

[140] Mr. Goddard also gave the *Roller Coaster* booklet to Mr. C. and sent it to potential investors, including to Staff's covert email address. The booklet repeated the respondents' representation made on numerous occasions and by numerous modes, reviewed above, that an investment in Black Panther was no riskier than an investment in a GIC. That representation was also untrue, in that it implied an equivalence between the soundness of a guarantee at a regulated financial institution and that of Black Panther, an unregulated company with no net assets or revenues.

[141] The respondents compounded this misrepresentation of risk by stating that any investment funds would be "covered by" CDIC. The missing details, however, are equally important: that CDIC pays only in the event of a loss due to insolvency of the financial institution, up to a limited amount ($100,000 per eligible account) and only to the benefit of the account holder, in this case Black Panther. Any suggestion that CDIC insurance would cause the risk of an investment in Black Panther to be "no more" than that of a GIC is blatantly false.

[142] The respondents made similar representations regarding funds that would be held in brokerage accounts. The respondents stated that "[t]he monies are then transferred" from Black Panther's bank account to trading accounts at firms that "are registered investment firms and as such are covered by CIPF. This protects accounts against insolvency to a limit of one million dollars per account."

[143] Staff submits that this representation was misleading in two respects, in that Mr. Goddard would not in fact be transferring all of the invested funds to trading accounts, and in that it misrepresented the extent of CIPF's coverage. In particular, Staff submits that the statement implies insurance against trading losses or against the funds being transferred out of the account and spent.

[144] By very early in the Material Time the respondents had established the consistent pattern of transferring little if any of a Note Holder's funds to a brokerage account, and, even when they did, often transferring funds back to Black Panther's bank account shortly afterwards. Therefore, the suggestion that CIPF's coverage would extend to Note Holders' funds was materially misleading, since the majority of the funds were not even in an account covered by CIPF. Even with respect to funds in a covered account, if CIPF did pay insurance as a result of the insolvency of a firm, such payment would be limited, and would go to Black Panther and not to the Note Holders.

[145] We therefore conclude that the representations to Ms. P. and the representations to investors generally regarding risk were dishonestly made, were acts of deceit and of falsehood, and caused at least a potential risk of deprivation to anyone who was induced to invest funds while under a misapprehension as to the actual risk associated with the investment. Mr. Goddard was fully aware of the deceitful nature of the representations, which were therefore fraudulent.

(e) Conclusion as to fraud

[146] The respondents perpetrated fraud, contrary to clause 126.1(1)(b) of the Act, by doing each of the following:

a. making false representations about returns generated in Black Panther's portfolio;

b. using investor funds in a manner not consistent with promises made to Note Holders; and

c. making false representations about the risk associated with investment in Black Panther.

F. False or misleading statements

[147] Staff alleges that the respondents breached subsection 44(2) of the Act, which provides:

> No person or company shall make a statement about any matter that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading or advising relationship with the person or company if the statement is untrue or omits information necessary to prevent the statement from being false or misleading in the circumstances in which it is made.

[148] Staff's allegation includes only the second and third categories of statements mentioned in paragraph [113] above. We suspect that Staff intended to include all three categories. However, the relevant portion of the Statement of Allegations (paragraph 29) appears to contain a typographical error that was not adverted to during the hearing by anyone, including this panel. We are not prepared at this stage and on our own initiative to remedy the error, because doing so would be unfair to the respondents. Accordingly, for the purpose of this allegation we ignore statements regarding returns earned by Black Panther. We consider only the statements that are the subject of the allegation; namely those with respect to the use of funds and the risk associated with the investment.

[149] We have already found that those statements were false and misleading. The statements went to the heart of the proposed investment in Black Panther and would unquestionably be relevant to any reasonable investor who was deciding whether to enter into a trading or advising relationship with the respondents. Indeed, the statements were made for exactly that purpose. The respondents therefore contravened subsection 44(2) of the Act by making those statements.

G. Misleading Staff

1. Introduction

[150] Clause 122(1)(a) of the Act provides that a person or company is guilty of an offence if that person or company:

> makes a statement in any … evidence … submitted to … any person acting under the authority of the Commission … that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading[.]

[151] Staff who conducted the examination of Mr. Goddard in February 2015 were acting under the authority of the Commission pursuant to an order issued by the Commission under section 11 of the Act. Staff alleges that during his examination, Mr. Goddard made a number of misleading or untrue statements, or omitted necessary facts.

[152] In *Wilder v. Ontario (Securities Commission)* ("***Wilder***"),[29] the Court of Appeal for Ontario reviewed the importance of section 122 of the Act and its interrelationship with the public interest jurisdiction of the Commission. The Court referred to the Commission's "obligation to do its best to ensure that those involved in the securities industry provide fair and accurate information" and stated that:

> [i]t is difficult to imagine anything that could be more important to protecting the integrity of capital markets than ensuring that those involved in those markets, whether as direct participants or as advisers, provide full and accurate information to the OSC.[30]

[153] The Court rejected the submission made by the appellant in that case, who had been a respondent before the Commission, that alleged misconduct under clause 122(1)(a) of the Act was within the exclusive jurisdiction of the Ontario Court of Justice. The Court referred to the range of options available to the Commission, including prosecution in the Ontario Court of Justice pursuant to section 122 and a proceeding before the Commission pursuant to section 127, and noted with approval that the Commission "may prefer the more flexible and less drastic administrative sanctions available pursuant to s. 127 as the best way to achieve the objectives of the legislation."[31]

[154] The language of clause 122(1)(a) makes clear that misleading by omission is equally problematic.[32] The section also establishes liability even without proof of a specific mental element, *e.g.*, intention, wilful blindness or recklessness. In our view, therefore, for the purposes of a proceeding before the Commission, in appropriate circumstances it is in the public interest to make an order under section 127 of the Act where a respondent makes a misleading or untrue statement or omission within the meaning of clause 122(1)(a) of the Act.

2. Funds

[155] Mr. Goddard misled Staff in a material respect in three ways regarding Note Holders' funds, when he claimed that as of the date of his examination:

a. 12 investors had become Note Holders, when in fact there were 16;

b. Note Holders had invested only $279,000, when in fact the respondents had received $410,607 of the $425,607 referred to in paragraph [31] above, including an investment of $70,000 made less than three weeks before the examination, with the remaining $15,000 coming from Mr. S. after the examination; and

c. Black Panther held approximately $275,000 in three trading accounts and approximately $35,000 in one bank account, when in fact Mr. Goddard held approximately $7,400 in one bank account, and Black Panther held a total of approximately $28,300 in one bank account and three trading accounts.

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29 [2001] OJ No 1017 (CA).

30 *Wilder* at para 22.

31 *Wilder* at para 23.

32 *Xanthoudakis v Ontario Securities Commission*, 2011 ONSC 4685 (Div.Ct.) at paras 93-94.

[156] Mr. Goddard also misled Staff regarding funds flowing to and from his son and daughter. He testified that:

a. his son had neither invested any money in nor received any money from Black Panther, when in fact:

i. his son's counsel provided a Letter of Understanding acknowledging Black Panther's receipt of $15,000 from Mr. Goddard's son in November 2013;

ii. the Funds Analysis shows additional loans or investments by his son totaling approximately $10,000; and

iii. the Funds Analysis shows various payments flowing from Black Panther to his son, the total of which represents approximately 10% more than his son invested; and

b. his daughter received no funds from Black Panther, when the Funds Analysis shows payments totalling approximately $8,000 flowing directly from Black Panther's account to his daughter.

3. Other misstatements

[157] Mr. Goddard made the following additional false or misleading statements to Staff, when he testified that:

a. the $950 payment from Mr. C., referred to in paragraph [53] above, was "for coaching, because I'm not allowed to get paid for doing the investments", when as we have previously found, the payment was a fee for advising and trading;

b. no one had responded to the Kijiji advertisement referred to in paragraph [67] above when in fact Staff had responded using its covert email account, and Mr. Goddard had replied, including with specific reference to a promise made in that advertisement; and

c. he was not an officer or director of, nor did he hold an ownership interest in, any company other than Black Panther, when in fact he had incorporated Charles Goddard Investments Ltd. in the United Kingdom as its sole director and officer in September 2014, several months before his examination.

4. Conclusion as to the allegation of misleading Staff

[158] Staff's evidence demonstrates that Mr. Goddard made the above statements to Staff, and that each of the statements was misleading or untrue in a material respect. The respondents offered no evidence to contradict Staff's allegation. We conclude that each of the statements was contrary to clause 122(1)(a) of the Act.

H. Disclosing information regarding Staff's investigation

[159] Subsection 16(1) of the Act contains important prohibitions against the disclosure of a broad range of information relating to an investigation conducted pursuant to an order issued under section 11 of the Act. These prohibitions protect the integrity of Staff's investigation by, among other things, restricting the communication of information among persons connected to the matters under investigation.[33] Subsection 16(1) provides:

> Except in accordance with section 17, no person or company shall disclose at any time, except to his, her or its counsel,
>
> (a) the nature or content of an order under section 11…; or
>
> (b) the name of any person examined or sought to be examined under section 13, any testimony given under section 13, any information obtained under section 13, the nature or content of any questions asked under section 13, the nature or content of any demands for the production of any document or other thing under section 13, or the fact that any document or other thing was produced under section 13.

[160] On January 26, 2015, Staff issued a summons to Mr. Goddard pursuant to section 13 of the Act. The summons specified documents that Mr. Goddard was to produce on his examination. Mr. Goddard attended for his examination four weeks later.

[33] *Agueci* at para 104.

[161] The letter that accompanied the summons explicitly stated that there was "a high degree of confidentiality associated with this matter", and quoted subsection 16(1) of the Act in full. In addition, at the beginning of Mr. Goddard's examination Staff had an extensive discussion with Mr. Goddard about the confidential nature of the examination, and about the prohibitions referred to in the covering letter. Mr. Goddard raised some concerns about the wisdom of those restrictions, and it is clear from his comments that he fully understood them.

[162] One week following his examination Mr. Goddard sent a copy of the summons to the principal of the firm that Mr. Goddard was hoping to join. Mr. Goddard asserts in written submissions that he was considering retaining the same lawyer as the individual to whom he sent the summons, and he expected that individual to forward the summons to the lawyer.

[163] Regardless of Mr. Goddard's explanation, he breached section 16 of the Act by sending a copy of the summons to the individual, since the summons itself disclosed the nature and content of the investigation, the fact that Mr. Goddard had been examined pursuant to section 13 of the Act, and the nature and content of the demand for production of documents.

I. Mr. Goddard's liability as director of Black Panther

[164] Staff alleges that Mr. Goddard, as a director of Black Panther, should be deemed not to have complied with Ontario securities law, by virtue of section 129.2 of the Act, which provides:

> For the purposes of this Act, if a company … has not complied with Ontario securities law, a director … of the company … who authorized, permitted or acquiesced in the non-compliance shall be deemed to also have not complied with Ontario securities law …

[165] Mr. Goddard did not attempt to rely on his formal absence from the board of Black Panther from December 2010 to May 2014, to dispute Staff's allegation that he would be liable under section 129.2 for any breaches committed by Black Panther that he authorized or permitted or in which he acquiesced. Even if he had taken that position, however, it would have been of no assistance to him. The definition of "director" in subsection 1(1) of the Act includes an individual "performing a similar function" to that of a director.

[166] Because Mr. Goddard was the sole directing mind of Black Panther at all relevant times, it follows that he authorized all of Black Panther's breaches of Ontario securities law. That conclusion is therefore inconsequential for this proceeding, since Mr. Goddard's direct personal participation in each of those breaches makes him liable on his own, without the need to resort to section 129.2 of the Act.

IV. CONCLUSION

[167] For the reasons set out above, we find that:

a. while not registered, the respondents engaged in the business of trading in the Letters of Understanding, which are securities, and held themselves out as being in that business, contrary to subsection 25(1) of the Act;

b. the respondents traded in the Letters of Understanding where such trades were distributions, without filing a prospectus, contrary to subsection 53(1) of the Act;

c. the respondents engaged in the business of advising Mr. C. in securities, and held themselves out as engaging in that business generally, contrary to subsection 25(3) of the Act;

d. the respondents perpetrated a fraud contrary to clause 126.1(1)(b) of the Act, by each of:

   i. making false representations about returns generated in Black Panther's portfolio;

   ii. using Note Holders' funds in a manner not consistent with promises made to them; and

   iii. making false representations about the risk associated with investment in Black Panther;

e. contrary to subsection 44(2) of the Act, the respondents made untrue statements that reasonable investors would consider relevant in deciding whether to enter into or maintain a trading or advising relationship, with respect to:

i. the use of Note Holders' funds; and

ii. the risk associated with investment in Black Panther;

f. contrary to clause 122(1)(a) of the Act, Mr. Goddard misled Staff in its investigation, with respect to:

i. the amount of money raised from Note Holders;

ii. funds held by the respondents;

iii. the nature of his business relationship with Mr. C.;

iv. whether his son and daughter had invested in or received money from Black Panther;

v. whether anyone had responded to Black Panther's Kijiji advertisement; and

vi. whether he held any other positions as director or officer; and

g. Mr. Goddard breached subsection 16(1) of the Act by disclosing information regarding the investigation being conducted by Staff.

[168] Staff shall contact the Commission's Office of the Secretary, copying the respondents, within 15 days of these Reasons and Decision to arrange dates for a hearing regarding sanctions.

Dated at Toronto this 30th day of January, 2017.

"Timothy Moseley"

"Garnet Fenn"

"Judith Robertson"

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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
Deer Horn Capital Inc.	30 January 2017	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

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

THERE IS NOTHING TO REPORT THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

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

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 26, 2017
NP11-202 Preliminary Receipt dated January 26, 2017
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.
TD SECURITIES INC.
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
MACKIE RESEARCH CAPITAL CORPORATION
MANULIFE SECURITIES INCORPORATED
Promoter(s):
-
Project #2577074

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated January 27, 2017
NP11-202 Preliminary Receipt dated January 27, 2017
Offering Price and Description:
Offering: $64,023,200 - 3,056,000 Preferred Shares and 3,056,000 Class A Shares
Prices: $10.00 per Preferred Share and $10.95 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.
TD SECURITIES INC.
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
MACKIE RESEARCH CAPITAL CORPORATION
MANULIFE SECURITIES INCORPORATED
Promoter(s):
-
Project #2577074

Issuer Name:
Templeton EAFE Developed Markets Fund
Templeton Emerging Markets Fund
Templeton Emerging Markets Corporate Class
Templeton Global Balanced Fund
Templeton Global Bond Fund
Templeton Global Bond Fund (Hedged)
Templeton Global Smaller Companies Fund
Templeton Growth Fund, Ltd.
Templeton Growth Corporate Class
Templeton International Stock Fund
Templeton International Stock Corporate Class
Franklin Global Growth Fund
Franklin Global Small-Mid Cap Fund
Franklin High Income Fund
Franklin Strategic Income Fund
Franklin U.S. Core Equity Fund
Franklin U.S. Monthly Income Fund
Franklin U.S. Monthly Income Corporate Class
Franklin U.S. Monthly Income Hedged Corporate Class
Franklin U.S. Opportunities Fund
Franklin U.S. Rising Dividends Fund
Franklin U.S. Rising Dividends Corporate Class
Franklin Bissett All Canadian Focus Fund
Franklin Bissett Canadian All Cap Balanced Fund
Franklin Bissett Canadian Balanced Fund
Franklin Bissett Canadian Balanced Corporate Class
Franklin Bissett Canadian Dividend Fund
Franklin Bissett Canadian Dividend Corporate Class
Franklin Bissett Canadian Equity Fund
Franklin Bissett Canadian Equity Corporate Class
Franklin Bissett Canadian Short Term Bond Fund
Franklin Bissett Core Plus Bond Fund
Franklin Bissett Corporate Bond Fund
Franklin Bissett Dividend Income Fund
Franklin Bissett Dividend Income Corporate Class
Franklin Bissett Energy Corporate Class
Franklin Bissett Microcap Fund
Franklin Bissett Money Market Fund
Franklin Bissett Monthly Income and Growth Fund
Franklin Bissett Small Cap Fund
Franklin Bissett U.S. Focus Corporate Class
Franklin Mutual European Fund
Franklin Mutual Global Discovery Fund
Franklin Mutual Global Discovery Corporate Class
Franklin Mutual U.S. Shares Fund
Franklin Quotential Balanced Growth Portfolio
Franklin Quotential Balanced Growth Corporate Class Portfolio
Franklin Quotential Balanced Income Portfolio
Franklin Quotential Balanced Income Corporate Class Portfolio
Franklin Quotential Diversified Equity Portfolio
Franklin Quotential Diversified Equity Corporate Class Portfolio
Franklin Quotential Diversified Income Portfolio
Franklin Quotential Diversified Income Corporate Class Portfolio
Franklin Quotential Growth Portfolio
Franklin Quotential Growth Corporate Class Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #6 to Final Simplified Prospectus dated January 24, 2017
Received on January 24, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Bissett Investment Management, a division of Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2469490

Issuer Name:
Franklin Bissett Canadian Government Bond Fund
Franklin Quotential Fixed Income Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated January 24, 2017
Received on January 24, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
FTC Investors Services Inc.
Franklin Templeton Investments Corp.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2535927

Issuer Name:
Manulife Multifactor Canadian Large Cap Index ETF
Manulife Multifactor Developed International Index ETF
Manulife Multifactor U.S. Large Cap Index ETF
Manulife Multifactor U.S. Mid Cap Index ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated January 30, 2017
NP11-202 Preliminary Receipt dated January 30, 2017
Offering Price and Description:
Unhedged Units and Hedged Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Manulife Asset Management Limited
Project #2578920

Issuer Name:
1832 AM Canadian Dividend LP
1832 AM Canadian Growth LP
1832 AM Canadian Preferred Share LP
1832 AM Global Completion LP
1832 AM North American Preferred Share LP
1832 AM Tactical Asset Allocation LP
Scotia Global Low Volatility Equity LP
Scotia Total Return Bond LP
Scotia U.S. Dividend Growers LP
Scotia U.S. Low Volatility Equity LP
Type and Date:
Final Simplified Prospectus dated January 18, 2017
Receipted on January 27, 2017
Offering Price and Description:
Series I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
1832 Asset Management L.P.
Project #2564916

Issuer Name:
Healthcare Leaders Income ETF
Principal Regulator - Ontario
Type and Date:
Amendment #2 to Final Long Form Prospectus dated January 17, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
Class U Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Harvest Portfolios Group Inc.
Project #2536861

Issuer Name:
CMP 2017 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 23, 2017
NP 11-202 Receipt dated January 24, 2017
Offering Price and Description:
Maximum Offering: $50,000,000 - 50,000 Limited Partnership Units
Minimum Offering: $5,000,000 - 5,000 Units
Price per Unit: $1,000
Minimum Subscription: $5,000 (Five Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Industrial Alliance Securities Inc.
Echelon Wealth Partners Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Raymond James Ltd.
Promoter(s):
Goodman GP Ltd.
Goodman & Company, Investment Counsel Inc.
Project #2567539

Issuer Name:
Empire Life Canadian Equity Mutual Fund
Empire Life Dividend Growth Mutual Fund
Empire Life Emblem Aggressive Growth Portfolio
Empire Life Emblem Balanced Portfolio
Empire Life Emblem Conservative Portfolio
Empire Life Emblem Diversified Income Portfolio
Empire Life Emblem Growth Portfolio
Empire Life Emblem Moderate Growth Portfolio
Empire Life Money Market Mutual Fund
Empire Life Monthly Income Mutual Fund
Empire Life Small Cap Equity Mutual Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated January 30, 2017
NP 11-202 Receipt dated January 30, 2017
Offering Price and Description:
Series A units, Series T6 units, Series T8 units, Series F units and Series I units @ net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2567073

Issuer Name:
Exemplar U.S. High Yield Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to the Final Simplified Prospectus dated January 13, 2017
NP 11-202 Receipt dated January 25, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Arrow Capital Management Inc.
Project #2441463

Issuer Name:
First Asset Active Credit ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 24, 2017
NP 11-202 Receipt dated January 26, 2017
Offering Price and Description:
Common Units, Advisor Class Units, US$ Common Units and US$ advisor class units @ net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2566971

Issuer Name:
First Asset Core Canadian Equity ETF
First Asset Core U.S. Equity ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 24, 2017
NP 11-202 Receipt dated January 26, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2566966

Issuer Name:
Redwood U.S. Preferred Share Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to the Final Simplified Prospectus dated January 5, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
A, A non-currency hedged units, F, F non-currency hedged units, ETF, and ETF non-currency hedged units securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Redwood Asset Management Inc.
Promoter(s):
Redwood Asset Management Inc.
Project #2548888

Issuer Name:
Manulife Global Balanced Private Trust
Manulife U.S. All Cap Equity Class*Principal Regulator - Ontario
Type and Date:
Amendment #1 to the Final Simplified Prospectus and Amendment #2 to the AIF dated January 19, 2017
NP 11-202 Receipt dated January 26, 2017
Offering Price and Description:
Advisor Series, Series C, Series CT6, Series F, Series FT6, Series L, Series LT6, and Series T6
Underwriter(s) or Distributor(s):
Manulife Asset Management Investments Inc.
Manulife Asset Management Investments Inc.
Manulife Asset Management Investments Inc.
Promoter(s):
Manulife Asset Management Limited
Project #2496519

Issuer Name:
Maple Leaf Short Duration 2017 Flow-Through Limited Partnership - National Class
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated January 27, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
Maximum Offering: $10,000,000 - 400,000Maple Leaf Short Duration 2017 Flow -Through Limited Partnership – National Class Units
Minimum Offering: $2,500,000 - 100,000Maple Leaf Short Duration 2017 Flow -Through Limited Partnership – National Class Units
Price per Unit: $25.00
Minimum Purchase: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Industrial Alliance Securities Inc.
Laurentian Bank Securities Inc.
Echelon Wealth Partners Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2017 Flow-Through Management Corp.
Project #2567014

Issuer Name:
Maple Leaf Short Duration 2017 Flow-Through Limited Partnership - Quebec Class
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated January 27, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
Maximum Offering: $10,000,000 - 400,000Maple Leaf Short Duration 2017 Flow -Through Limited Partnership – Quebec Class Units
Minimum Offering: $2,500,000 - 100,000Maple Leaf Short Duration 2017 Flow -Through Limited Partnership – Quebec Class Units
Price per Unit: $25.00
Minimum Purchase: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Industrial Alliance Securities Inc.
Laurentian Bank Securities Inc.
Echelon Wealth Partners Inc.
Promoter(s):
Maple Leaf Short Duration Holdings Ltd.
Maple Leaf Short Duration 2017 Flow-Through Management Corp.
Project #2567017

Issuer Name:
MRF 2017 Resource Limited Partnership
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated January 27, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
Maximum Offering: $50,000,000 - 2,000,000 Units
Minimum Offering: $5,000,000 - 200,000 Units
PRICE: $25.00 PER UNIT
MINIMUM SUBSCRIPTION: $2,500 (One Hundred Units)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
GMP Securities L.P.
Manulife Securities Incorporated
Canaccord Genuity Corp.
Middlefield Capital Corporation
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Industrial Alliance Securities Inc.
Raymond James Ltd.
Promoter(s):
Middlefield Resource Corporation
Project #2568394

Issuer Name:
Sprott 2017 Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 25, 2017
NP 11-202 Receipt dated January 25, 2017
Offering Price and Description:
Maximum: $50,000,000 - 2,000,000 Limited Partnership Units
Minimum: $5,000,000 - 200,000 Limited Partnership Units
Price per Unit: $25
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Bank Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
GMP Securities L.P.
Manulife Securities Incorporated
Raymond James Ltd.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Echelon Wealth Partners Inc.
Promoter(s):
Sprott 2017 Corporation
Project #2568600

Issuer Name:
TD Managed Aggressive Growth ETF Portfolio
TD Managed Balanced Growth ETF Portfolio
TD Managed Income & Moderate Growth ETF Portfolio
TD Managed Income ETF Portfolio
TD Managed Maximum Equity Growth ETF Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated January 25, 2017
NP 11-202 Receipt dated January 26, 2017
Offering Price and Description:
Series D units
Underwriter(s) or Distributor(s):
-
Promoter(s):
TD Asset Management Inc.
Project #2556889

NON-INVESTMENT FUNDS

Issuer Name:
Alamos Gold Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2017
NP 11-202 Preliminary Receipt dated January 26, 2017
Offering Price and Description:
US$* - *Class A Common Shares
Price: US$* per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
Macquarie Capital Markets Canada Ltd.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
Haywood Securities Inc.
Paradigm Capital Inc.
RBC Dominion Securities Inc.
Barclays Capital Canada Inc.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Raymond James Ltd.
Citigroup Global Markets Canada Inc.
Morgan Stanley Canada Limited
Promoter(s):
-
Project #2576771

Issuer Name:
Alamos Gold Inc.
Principal Regulator - Ontario
Type and Date:
Amendment dated January 26, 2017 to Preliminary Short Form Prospectus dated January 25, 2017
NP 11-202 Preliminary Receipt dated January 26, 2017
Offering Price and Description:
US$250,027,500.00 - 31,450,000 Class A Common Shares
Price: US$7.95 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
Macquarie Capital Markets Canada Ltd.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
Haywood Securities Inc.
Paradigm Capital Inc.
RBC Dominion Securities Inc.
Barclays Capital Canada Inc.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Raymond James Ltd.
Citigroup Global Markets Canada Inc.
Morgan Stanley Canada Limited
Promoter(s):
-
Project #2576771

Issuer Name:
Atrium Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 27, 2017
NP 11-202 Preliminary Receipt dated January 27, 2017
Offering Price and Description:
$30,039,750.00 - 2,535,000 Common Shares
Offering Price: $11.85 per Offered Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2575938

Issuer Name:
CannaRoyalty Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2017
NP 11-202 Preliminary Receipt dated January 25, 2017
Offering Price and Description:
$15,000,000.00 - 5,000,000 Units
Price: $3.00 per Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Clarus Securities Inc.
Mackie Research Capital Corporation
Beacon Securities Limited
Sprott Private Wealth LP
PI Financial Corp.
Promoter(s):
AJKNJ Corp.
Project #2575436

Issuer Name:
Columbus Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2017
NP 11-202 Preliminary Receipt dated January 24, 2017
Offering Price and Description:
$5,040,000.00 - 8,000,000 Common Shares
Price: $0.63 per Offered Share
Underwriter(s) or Distributor(s):
Beacon Securities Limited
Promoter(s):
-
Project #2576327

Issuer Name:
Fortuna Silver Mines Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated January 24, 2017
NP 11-202 Preliminary Receipt dated January 25, 2017
Offering Price and Description:
US$65,047,500.00 - 10,325,000 Common Shares
Price: US$6.30 per Offered Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2575826

Issuer Name:
HAW Capital Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated January 23, 2017
NP 11-202 Preliminary Receipt dated January 25, 2017
Offering Price and Description:
Maximum Offering: $400,000.00 - 4,000,000 common shares
Minimum Offering: $200,000.00 - 2,000,000 common shares
Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
James McRoberts
Project #2576361

Issuer Name:
Lexington Biosciences, Inc. (formerly, Glenwood Acquisitions Corp.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated January 25, 2017
NP 11-202 Preliminary Receipt dated January 26, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Eric Willis
Bradley Hoeppner
Project #2576928

Issuer Name:
Mosaic Capital Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 27, 2017
NP 11-202 Preliminary Receipt dated January 27, 2017
Offering Price and Description:
Up to $25,000,00.00 - 2,551,020 Subscription Privileges to Subscribe for up to 2,551,020 Common Shares
Price: $9.80 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2578017

Issuer Name:
Orletto Capital Inc.
Principal Regulator - Quebec
Type and Date:
Amended and Restated Final Long Form Prospectus dated January 26, 2016
Received on January 26, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Richardson GMP Limited
Promoter(s):
Andre P. Boulet
Project #2519014

Issuer Name:
Quest Rare Minerals Ltd.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated January 25, 2017
Received on January 25, 2017
Offering Price and Description:
Maximum Offering of $8,000,000.00 (35,555,555 Units)
Minimum Offerig of $5,000,000.00 (22,222,222 Units)
Price: ($0.225 per Unit)
Underwriter(s) or Distributor(s):
Secutor Capital Management Corporation
Promoter(s):
-
Project #2576631

Issuer Name:
Automotive Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated January 30, 2017
NP 11-202 Receipt dated January 30, 2017
Offering Price and Description:
$40,145,000.00 - 3,700,000 Units at a price of $10.85 per Offered Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
Canaccord Genuity Corp.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
GMP Securities L.P.
Industrial Alliance Securities Inc.
Raymond James Ltd.
Promoter(s):
893353 Alberta Inc.
Project #2574564

Issuer Name:
Avanco Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated January 26, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
Offering: $400,000.00 - 4,000,000 Common Shares, Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Joanne Yan
Project #2572108

Issuer Name:
Avnel Gold Mining Limited
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 23, 2017 to Final Shelf Prospectus dated October 7, 2016
NP 11-202 Receipt dated January 26, 2017
Offering Price and Description:
$325,000,000.00 - Debt Securities (unsecured), Ordinary Shares, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2506443

Issuer Name:
Freshii Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 25, 2017
NP 11-202 Receipt dated January 25, 2017
Offering Price and Description:
C$125,350,000.00 -10,900,000 Class A Subordinate Voting Shares
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Jefferies Securities Inc
RBC Dominion Securities Inc.
Canaccord Genuity Corp.
Cormark Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2567813

Issuer Name:
PHX Energy Services Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated January 25, 2017
NP 11-202 Receipt dated January 25, 2017
Offering Price and Description:
$25,000,000.00 - 6,250,000 Common Shares
Price: $4.00 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
AltaCorp. Capital Inc.
Cormark Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #2573507

Issuer Name:
RYU Apparel Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated January 24, 2017
NP 11-202 Receipt dated January 25, 2017
Offering Price and Description:
Minimum Offering: $3,500,000.00 or 23,333,334 Common Shares
Maximum Offering: $5,000,000.00 or 33,333,334 Common Shares
Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
-
Project #2566827

Issuer Name:
Strad Energy Services Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated January 27, 2017
NP 11-202 Receipt dated January 27, 2017
Offering Price and Description:
$13,043,480.00 - 7,763,976 Common Shares
Price: $1.68 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Paradigm Capital Inc.
Peters & Co. Limited
HSBC Securities (Canada) Inc.
Industrail Alliance Securities Inc.
Promoter(s):
-
Project #2574168

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Stanwich Advisors, LLC	Exempt Market Dealer	January 23, 2017
Consent to Suspension (Pending Surrender)	Lingohr & Partner North America, Inc.	Portfolio Manager	January 25, 2017
Voluntary Surrender	Olos Capital, Inc.	Portfolio Manager and Exempt Market Dealer	January 24, 2017
Voluntary Surrender	Union Securities Ltd.	Investment Dealer	December 14, 2016
Voluntary Surrender	Van Eck Absolute Return Advisers Corporation	Commodity Trading Manager	January 27, 2017
New Registration	Foundation Wealth Partners LP	Portfolio Manager and Exempt Market Dealer	January 24, 2017
New Registration	Rabo Securities Canada, Inc.	Investment Dealer	January 26, 2017
New Registration	Bromma Asset Management Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	January 27, 2017

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