The Ontario Securities Commission

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

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Chapter 1

Notices / News Releases

1.2 Notices of Hearing

1.2.1 TCM Investments Ltd. carrying on business as OptionRally et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
TCM INVESTMENTS LTD.
carrying on business as OPTIONRALLY,
LFG INVESTMENTS LTD.
carrying on business as www.optionrally.com,
AD PARTNERS SOLUTIONS LTD., and
INTERCAPITAL SM LTD.

NOTICE OF HEARING
(Sections 127 and 127.1 of the Securities Act)

WHEREAS the Ontario Securities Commission issued a temporary order on May 10, 2017 (the "**Temporary Order**") pursuant to subsections 127(1) and 127(5) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**"), ordering that:

1. pursuant to clause 2 of subsection 127(1) of the Act, all trading in any securities by TCM Investments Ltd. carrying on business as OptionRally ("**OptionRally**"), LFG Investments Ltd. carrying on business as www.optionrally.com, ("**LFG Investments**"), AD Partners Solutions Ltd. ("**AD Partners**"), and InterCapital SM Limited ("**InterCapital**") shall cease;

2. pursuant to clause 3 of subsection 127(1) of the Act, the exemptions contained in Ontario securities law do not apply to OptionRally, LFG Investments, AD Partners, and InterCapital; and

3. pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission;

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, commencing on May 24, 2017 at 11:00 a.m. or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

1. to extend the Temporary Order pursuant to subsections 127(7) and 127(8) of the Act until the conclusion of hearing or until such further time as considered necessary by the Commission; and

2. to make such further orders as the Commission considers appropriate;

BY REASON OF the recitals set out in the Temporary Order and of such allegations and evidence as the parties may advise and the Commission may permit;

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

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;

AND TAKE FURTHER NOTICE that the Notice of Hearing is also available in French on request of a party, participation may be in either French or English and participants must notify the Secretary's Office in writing as soon as possible, and in any event, at least thirty (30) days before a hearing if the participant is requesting a proceeding to be conducted wholly or partly in French; and

ET AVIS EST ÉGALEMENT DONNÉ PAR LA PRÉSENTE que l'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Bureau du secrétaire par écrit le plut tôt possible et, dans tous les cas, au moins trente (30) jours avant l'audience si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

DATED at Toronto this 12th day of May, 2017.

"Grace Knakowski"
Secretary to the Commission

1.5 Notices from the Office of the Secretary

1.5.1 Michael Patrick Lathigee et al.

FOR IMMEDIATE RELEASE
May 17, 2017

IN THE MATTER OF
MICHAEL PATRICK LATHIGEE,
EARLE DOUGLAS PASQUILL,
FIC REAL ESTATE PROJECTS LTD.,
FIC FORECLOSURE FUND LTD. and
WBIC CANADA LTD.

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

A copy of the Reasons and Decision and the Order dated May 16, 2017 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Eda Marie Agueci et al.

FOR IMMEDIATE RELEASE
May 17, 2017

IN THE MATTER OF
EDA MARIE AGUECI, DENNIS WING,
SANTO IACONO, JOSEPHINE RAPONI,
KIMBERLEY STEPHANY, HENRY FIORILLO,
GIUSEPPE (JOSEPH) FIORINI, JOHN SERPA,
IAN TELFER, JACOB GORNITZKI and
POLLEN SERVICES LIMITED

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

1. Fiorillo's application shall be heard in writing pursuant to Rules 11.4(2)(c) and 15.5 of the Rules;

2. The requirement in Rule 15.5 of the Rules that all parties consent to a hearing in writing is hereby waived pursuant to Rule 1.4(3) of the Rules;

3. Service on Pollen Services Limited of Fiorillo's application record, the Notice of Hearing issued May 12, 2017, this Order, and any other future documents requiring service for the purposes of Fiorillo's application, is hereby waived pursuant to Rule 1.5.3(3) of the Rules;

4. By no later than May 23, 2017, Fiorillo shall either:

    a. if Fiorillo decides to file any further application materials, file and serve those materials; or

    b. advise the registrar of the Commission in writing that no additional moving application materials will be forthcoming;

5. The responding parties shall serve and file their memoranda of fact and law and all other responding application materials, if any, by no later than May 30, 2017.

A copy of the Order dated May 16, 2017 is 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)

1.5.3 Jorge Neher

FOR IMMEDIATE RELEASE
May 17, 2017

IN THE MATTER OF
JORGE NEHER

TORONTO – The Commission issued an Order and its Reasons and Decision on a Settlement approving the Settlement Agreement reached between Staff of the Commission and Jorge Neher.

A copy of the Order dated May 16, 2017, Settlement Agreement dated May 12, 2017 and Reasons and Decision on a Settlement dated May 16, 2017 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.4 TCM Investments Ltd. carrying on business as OptionRally et al.

FOR IMMEDIATE RELEASE
May 17, 2017

IN THE MATTER OF
TCM INVESTMENTS LTD.
carrying on business as OPTIONRALLY,
LFG INVESTMENTS LTD.
carrying on business as www.optionrally.com,
AD PARTNERS SOLUTIONS LTD., and
INTERCAPITAL SM LTD.

TORONTO – The Office of the Secretary issued a Notice of Hearing on May 12, 2017 setting the matter down to be heard on May 24, 2017 at 11:00 a.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated May 12, 2017 and Temporary Order dated May 10, 2017 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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For investor inquiries:

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

1.5.5 Global 8 Environmental Technologies, Inc. et al.

FOR IMMEDIATE RELEASE
May 18, 2017

IN THE MATTER OF
GLOBAL 8 ENVIRONMENTAL TECHNOLOGIES, INC.,
HALO PROPERTY SERVICES INC.,
CANADIAN ALTERNATIVE RESOURCES INC.,
RENÉ JOSEPH BRANCONNIER and
CHAD DELBERT BURBACK

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

1. Staff's application is granted;

2. Staff's materials shall be served and filed no later than May 29, 2017;

3. The respondents' materials shall be served and filed no later than July 5, 2017; and

4. Staff's reply materials, if any, shall be served and filed no later than July 26, 2017.

A copy of the Order dated May 17, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Goldman, Sachs & Co. and Goldman Sachs International

Headnote

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

Applicable Legislative Provisions

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

Instruments Cited

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

May 15, 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
GOLDMAN, SACHS & CO.
AND
GOLDMAN SACHS INTERNATIONAL
(the Filers)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from Goldman, Sachs & Co. (**GS&Co**) and Goldman Sachs International (**GSI** and, together with GS&Co, the **Filers**) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filers from the dealer registration requirement under the Legislation in respect of trades in debt securities, other than during the distribution of such securities, with permitted clients, as defined under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), where the debt securities are

(a) debt securities of Canadian issuers and are denominated in a currency other than the Canadian dollar; or

(b) debt securities of any issuer, including a Canadian issuer and were originally offered primarily in a foreign jurisdiction outside Canada and a prospectus was not filed with a Canadian securities regulatory authority for the distribution (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that sub-section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada (the **Passport Jurisdictions** and together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

1. GS&Co is a limited partnership formed under the laws of the State of New York. Its head office is located at 200 West St, New York, NY 10282, U.S. It is an indirect, wholly owned subsidiary of

The Goldman Sachs Group, Inc. (**GS Group**), a New York corporation.

2. GSI is a private unlimited company incorporated under the laws of England and Wales with its head office is located at Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom. GSI is an indirect, wholly owned subsidiary of GS Group.

3. GS&Co is registered as a broker-dealer with the U.S. Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**), a self-regulatory organization.

4. GS&Co is a member of a number of major U.S. securities exchanges, including the New York Stock Exchange and NASDAQ.

5. GSI is authorized by the U.K. Prudential Regulation Authority (**PRA**) and regulated by the Financial Conduct Authority (**FCA**) and PRA.

6. GSI is a member of the London Stock Exchange and other European securities exchanges.

7. GS&Co's registration in the US subjects the Filer to requirements over regulatory capital, lending of money, extension of credit and provision of margin, financial reporting, and segregation and custody of assets which provide protections that are substantially similar to the protections provided by the rules to which dealer-members of the Investment Industry Regulatory Organization of Canada (**IIROC**) are subject.

8. The Filers provide a variety of capital raising, investment banking, market making, brokerage, and advisory services, including fixed income and equity sales and research, commodities trading, foreign exchange sales, emerging markets activities, securities lending and derivatives dealing for governments, corporate and financial institutions.

9. Goldman Sachs Canada Inc. (**GSCI**) is an affiliate of the Filers. GSCI is registered as an investment dealer in each of the provinces of Canada, as a derivatives dealer in Quebec, and is a dealer member of IIROC.

10. The Filers are currently relying on the "international dealer exemption" under section 8.18 of NI 31-103 (the **international dealer exemption**) in each of the Jurisdictions.

11. GS&Co and GSI are in compliance in all material respects with U.S. and UK securities laws, respectively. The Filers are not in default of Canadian securities laws.

12. The Filers wish to trade in debt securities of Canadian issuers with permitted clients other than during such securities' distribution.

13. Paragraph 8.18(2)(b) of NI 31-103 provides that, subject to subsections 8.18(3) and 8.18(4), the dealer registration requirement does not apply in respect of a trade in a debt security with a permitted client during the security's distribution, if the debt security is offered primarily in a foreign jurisdiction and a prospectus has not been filed with a Canadian securities regulatory authority for the distribution. Paragraph 8.18(2)(c) of NI 31-103 provides that, subject to subsections 8.18(3) and 8.18(4), the dealer registration requirement does not apply in respect of a trade in a debt security that is a foreign security with a permitted client, other than during the security's distribution.

14. The permitted activities under subsection 8.18(2) of NI 31-103 do not include a trade in a debt security of a Canadian issuer with a permitted client, other than during the security's distribution in the limited circumstances described above.

15. On September 1, 2016, the Staff of the Canadian Securities Administrators (**CSA Staff**) published CSA Staff Notice 31-346 *Guidance as to the Scope of the International Dealer Exemption in relation to Foreign-Currency Fixed Income Offerings by Canadian Issuers* (the **Staff Notice**).

16. CSA Staff stated in the Staff Notice that they did not believe there was a policy reason to limit the exemption in subsection 8.18(2) of NI 31-103 to trades that occur during the initial period of the securities' distribution or to conclude that an international dealer should be permitted to sell a debt security to a Canadian institutional investor but not be permitted to act for the institutional investor in connection with the resale of the security. CSA Staff further stated that they were prepared to recommend exemptive relief to permit international dealers to deal with institutional investors to facilitate resales of debt securities, subject to conditions the CSA consider appropriate.

17. Accordingly, the Filers are seeking exemptive relief as contemplated by the Staff Notice to permit the Filers to deal with Canadian permitted clients in connection with resales of debt securities that may be distributed to the permitted clients in reliance on the international dealer exemption in section 8.18 of NI 31-103.

18. It may be difficult at the time of a resale of a debt security to determine whether the debt security was originally offered as part of an offering that was made primarily in a foreign jurisdiction or whether a prospectus was filed in Canada in connection with such offering. However, the Filers believe, based on their experience with foreign

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

19. Similarly, the Filers believe, based on their experience with Canadian foreign currency fixed income offerings that, to the extent that debt securities that are the subject of such offerings are listed on a stock exchange, they will typically not be listed on a stock exchange situated in Canada. To the extent that foreign-currency-denominated debt securities of a Canadian issuer are listed on a stock exchange situated in Canada, investors will be required to trade such debt securities through an IIROC registered dealer.

20. Each of the Filers is a "market participant" as defined under subsection 1(1) of the OSA. As market participants, among other requirements, the Filers are required to comply with the record keeping and provision of information provisions under section 19 of the OSA, which include the requirement to keep such books, records and other documents (a) as are necessary for the proper recording of business transactions and financial affairs, and the transactions executed on behalf of others, (b) as may otherwise be required under Ontario securities law, and (c) as may reasonably be required to demonstrate compliance with Ontario securities laws, and to deliver such records to the OSC if required.

Decision

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

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

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

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

(b) five years after the date of this decision.

DATED this 15th day of May, 2017.

"Grant Vingoe"
Vice Chair of the Commission

"Monica Kowal"
Vice Chair of the Commission

2.1.2 Invesco Canada Ltd. and Professional Association of Financial Services Advisors

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to mutual fund organizations from prohibition contained in subsection 5.4(1) of National Instrument 81-105 Mutual Fund Sales Practices permitting mutual fund organizations to pay a portion of the direct costs incurred by the Professional Association of Financial Services Advisors in organizing conferences, seminars, courses and other educational events, provided certain conditions are met – National Instrument 81-105 Mutual Fund Sales Practices.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 5.4(1), 9.1.

May 16, 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
INVESCO CANADA LTD.
(Invesco)**

AND

**IN THE MATTER OF
PROFESSIONAL ASSOCIATION OF FINANCIAL SERVICES ADVISORS
(the PAFSA)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Invesco and the PAFSA (collectively, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) under section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) exempting the Mutual Fund Organizations (as defined herein) from the prohibition set out in subsection 5.4(1) of NI 81-105 to permit them to pay the direct costs (as such term is defined in NI 81-105) incurred by the PAFSA relating to a conference, seminar, course or other educational event (collectively, the **Events**) that is organized and presented by the PAFSA (the **Exemption Sought**).

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 81-105 have the same meaning if used in this decision, unless otherwise defined.

"Mutual Fund Organizations" means the member of the organization of a mutual fund (as defined in NI 81-105) that wishes to pay the direct costs relating to an Event organized and presented by the PAFSA and includes Invesco.

Representations

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

1. The PAFSA is a not-for-profit association for individuals who are registered to distribute mutual fund securities, scholarship plans, exempt market funds and insurance products under applicable legislation in one or more provinces.

2. There are approximately 960 members of the PAFSA at this time. Over 90% of the members are registered to distribute mutual fund securities. The PAFSA's mission is to preserve the perpetuity of independent financial counsel by promoting, representing and defending its members' common professional interests and rights, and by grouping the advisors together under its banner.

3. The PAFSA has set out as its objective to (i) represent its members before governments, self-regulatory organizations, the Canadian Life and Health Insurance Association, mutual fund managers and dealers, and securities brokerage firms; and (ii) to defend its members' collective interests within the court system. The PAFSA's activities include: (i) meeting with Québec regulators to discuss regulations, financial products, conformity and to better explain the daily work of advisors; (ii) preparing and submitting memoirs on various issues regarding the industry; (iii) organizing a general assembly and congress for its members to educate on the financial issues in the industry; and (iv) collecting and answering members' questions, comments and apprehension concerning the future of the industry. The head office of the PAFSA is located in Montréal, Québec.

4. Invesco is a corporation existing under the laws of Ontario, with its head office being located in Toronto, Ontario. Invesco is the manager of a number of mutual funds that are qualified for distribution in the Jurisdictions. Accordingly, Invesco is a member of the organization of a mutual fund family within the meaning of NI 81-105.

5. As part of its services, the PAFSA arranges and holds education days, seminars and other Events for its members. Events have been held in Montréal, Québec in the past, but may be held elsewhere in Canada or in the continental United States of America in the future. The Events are of a quality that is similar to the corresponding educational events sponsored by the Investment Funds Institute of Canada and the Investment Industry Regulatory Organization of Canada. The PAFSA will be applying to self-regulatory organizations to have Events count as continuing education credits for Event participants. The PAFSA intends for the Events to qualify for continuing education credits with self-regulatory organizations at a ratio of one continuing education credit per conference hour.

6. The primary purpose of the Events is to provide educational information about the mutual fund dealer channel of distribution and related matters, including but not limited to the regulation of mutual funds, financial planning, compliance, investing in mutual funds and securities, mutual fund industry matters, and mutual fund issues generally, and therefore is consistent with the requirements of paragraph 5.4(2)(a) of NI 81-105.

7. Invesco wishes to sponsor certain or all of the Events. However, subsection 5.4(1) of NI 81-105 generally prohibits Mutual Fund Organizations from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by The Investment Funds Institute of Canada (**IFIC**), the Investment Dealers Association of Canada (the **IDA**) or another trade or industry association. The PAFSA can be considered "another trade or industry association". Subsection 5.4(2) of NI 81-105 provides an exemption to permit members of the organization of a mutual fund to sponsor conferences, seminars or courses organized and presented by IFIC, the IDA or their respective affiliates in accordance with the conditions set out therein. No exemption is granted to trade or industry associations such as the PAFSA.

8. Invesco proposes to sponsor the Events in accordance with the conditions set out in subsection 5.4(2) of NI 81-105.

9. The PAFSA anticipates that other Mutual Fund Organizations will similarly wish to sponsor a portion of the costs of different Events and agree to pay such costs for such Events in accordance with subsection 5.4(2) of NI 81-105, from time to time. If the Requested Relief is granted, the PAFSA will ensure that any sponsorship of an Event by Invesco and other Mutual Fund Organizations shall comply with the following conditions, which follow the conditions set out in subsection 5.4(2) of NI 81-105:

   (a) the primary purpose of an Event will be the provision of educational information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally;

   (b) none of the Mutual Fund Organizations will pay in aggregate more than ten percent of the total direct costs incurred by the PAFSA for the organization and presentation of an Event;

(c) the selection of a representative of a participating dealer to attend an Event will be made exclusively by the participating dealer, uninfluenced by the Mutual Fund Organizations; and

(d) all Events will be held in Canada or the continental United States of America.

(collectively, the **Conditions**).

Decision

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

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

(a) the Mutual Fund Organizations and the PAFSA comply with the Conditions;

(b) the PAFSA, on behalf of each Mutual Fund Organization (other than Invesco) whose mutual funds are reporting issuers in Ontario and who wishes to sponsor an Event in reliance on this decision, file an advance written notice with the Director of the Investment Funds and Structured Products Branch of the Ontario Securities Commission that:

  (i) names the Mutual Fund Organization that intends to sponsor the Event in reliance on this decision; and

  (ii) confirms that the Mutual Fund Organization has agreed to sponsor the Event in accordance with the Conditions; and

(c) this decision will terminate one year after the publication in final form of any legislation or rule which modifies the provisions of section 5.4 of NI 81-105 in a manner which makes the Exemption Sought unnecessary or provides similar relief on a different basis or subject to different conditions.

"Janet Leiper"
Commissioner
Ontario Securities Commission

"Frances Kordyback"
Commissioner
Ontario Securities Commission

2.1.3 I.G. Investment Management, Ltd. and Investors Group Funds

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraph 13.5(2)(b)(ii) and (iii) of NI 31-103 to permit inter-fund trades involving reporting and non reporting mutual funds managed by the same manager – inter-fund trades subject to conditions including IRC approval – trades involving exchange-traded securities are permitted to occur at last sale price as defined in the Universal Market Integrity Rules.

National Policy 11-203- Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the self dealing provision in s. 4.2(1) of NI 81-102 Investment Funds to permit inter-fund trades between funds managed by the same manager-Inter-Fund trades subject to conditions including independent review committee approval.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(b), 15.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 6.1(2), 6.1(4).
National Instrument 81-102 Investment Funds, ss. 4.2(1), 4.3(1), 4.3(2), 19.2.

April 28, 2017

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

AND

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

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(the Filer)

AND

IN THE MATTER OF
THE INVESTORS GROUP FUNDS (as defined below)

DECISION

BACKGROUND

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer, on behalf of itself, Investors Risk Parity Private Pool and future mutual funds of which the Filer or an affiliate of the Filer is, or will be, the investment fund manager, to which National Instrument NI 81-102 – *Investment Funds* (**NI 81-102**) does not apply (each a **Private Pool Fund** and, collectively, the **Private Pools**), and existing mutual funds and future mutual funds of which the Filer is, or will be, the investment fund manager, to which NI 81-102 applies (each an **NI 81-102 Fund**, collectively, the **NI 81-102 Funds** and together with the Private Pools, the **Investors Group Funds**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for exemptive relief:

(a) under s. 19.1 of NI 81-102 from section 4.2(1) of NI 81-102, which prohibits an investment fund from purchasing a security from or selling a security to any of the following acting as principal (the **81-102 Prohibition**):

   (i) the manager, portfolio advisor or trustee of the investment fund;

   (ii) a partner, director or officer of the investment fund or of the manager, portfolio advisor or trustee of the investment fund;

(iii) an associate or affiliate of a person or company referred to in (i) or (ii); or

(iv) a person or company, having fewer than 100 security holders of record, of which a partner, director or officer of the investment fund or of the manager or portfolio advisor of the investment fund, is a partner, director, officer or security holder;

to permit the NI 81-102 Funds to purchase non-exchange-traded debt securities from or sell non-exchange traded debt securities to one or more Private Pools;

(the **81-102 Relief**); and

(b) under section 15.1 of NI 31-103 from sections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, from purchasing or selling a security from or to the investment portfolio of the following (the **31-103 Prohibition**, and together with the 81-102 Prohibition, the **Inter-Fund Trading Prohibitions**):

(i) an associate of a responsible person; or

(ii) an investment fund for which a responsible person acts as an adviser;

in order to permit:

(i) an NI 81-102 Fund to purchase securities from or sell securities to a Private Pool; and

(ii) a Private Pool to purchase securities from or sell securities to another Private Pool or a NI 81-102 Fund; and

(iii) the transactions listed in (i) and (ii) (each an **Inter-Fund Trade**) to be executed at the last sale price, as defined in the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the **Last Sale Price**), in lieu of the closing sale price (the **Closing Sale Price**) contemplated by the definition of “current market price of the security” in section 6.1(1)(a)(i) of National Instrument 81-107 – *Independent Review Committee* (**NI 81-107**) on that trading day, where the securities involved in the Inter-Fund Trade are exchange-traded securities (which term shall include Canadian and foreign exchange-traded securities) (the **Exchange Traded Securities**);

(the relief requested in (b) is referred to as the **Inter-Fund Trading Relief**, and together with the 81-102 Relief, the **Exemption Sought**).

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

(c) the Manitoba Securities Commission is the principal regulator for this application; and

(d) the Filers have provided notice that section 5.4(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the North West Territories (the **Passport Jurisdictions**);

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

INTERPRETATION

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

“Canadian Jurisdictions” means the Jurisdictions and the Passport Jurisdictions; and

“IRC” means the independent review committee of the Investors Group Funds.

REPRESENTATIONS

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

The Filer and the Investors Group Funds

1. The head office of the Filer is located in Winnipeg, Manitoba.

2. Each NI 81-102 Fund is, or will be, organized under the laws of Manitoba as an open-ended mutual fund established as a trust pursuant to a master declaration of trust dated October 1, 2007, as amended from time to time (the **NI 81-102 Fund Trusts**), or is, or will be, organized as an open-ended mutual fund established as a separate class of mutual fund shares issued by Investors Group Corporate Class Inc., a mutual fund corporation governed by the *Canada Business Corporations Act* (**IG Corporate Class**).

3. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and portfolio advisor of the NI 81-102 Funds and the trustee of the NI 81-102 Fund Trusts.

4. Each Private Pool is, or will be, organized under the laws of Manitoba as an open-ended mutual fund established as a trust pursuant to a master declaration of trust dated as of January 15, 2016, as amended from time to time (the **Private Pool Trusts**), or is, or will be, organized as an open-ended mutual fund established as a separate class of mutual fund shares issued by IG Corporate Class.

5. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and portfolio advisor of the Private Pools and the trustee of the Private Pool Trusts.

6. The Filer is registered as a portfolio manager and an investment fund manager in Manitoba, Ontario and Quebec, and as an investment fund manager in Newfoundland and Labrador. It is also registered as an advisor under the *Commodity Futures Act* in Manitoba.

7. Each of the NI 81-102 Funds is, or will be, a reporting issuer in each of the Canadian Jurisdictions. The securities of the NI 81-102 Funds are, or will be, qualified for distribution pursuant to simplified prospectuses, annual information forms and fund facts prepared and filed in accordance with the securities legislation of each of the Canadian Jurisdictions.

8. Each of the NI 81-102 Funds is, or will be, subject to NI 81-102.

9. Investors Risk Parity Private Pool is not a reporting issuer under the Legislation. None of the future Private Pools will be a reporting issuer under the Legislation. The securities of the Private Pools are, or will be, distributed in Canada pursuant to exemptions from the prospectus requirement. The Private Pools are not, or will not, be subject to NI 81-102.

10. Neither the Filer nor any Investors Group Fund is in default of securities legislation in any Jurisdiction.

11. The Investors Group Funds are associates of the Filer.

Exemption Sought

12. The Filer wishes to be able to permit any Investors Group Fund to engage in Inter-Fund Trades of portfolio securities with any other Investors Group Fund.

13. The Filer is or will be the Trustee of all NI 81-102 Fund Trusts and all Private Pool Trusts. As a result, the NI 81-102 Fund Trusts and the Private Pool Trusts are associates of the Filer as defined in the Legislation.

14. The Filer owns all of the voting securities of IG Corporate Class, and therefore all Investors Group Funds included in IG Corporate Class are associates of the Filer.

15. Section 4.2(1) of NI 81-102 prohibits an investment fund from trading in securities with an associate of the manager, portfolio adviser or trustee of the investment fund. Absent the Exemption Sought, an NI 81-102 Fund would be prohibited from trading in securities with any other Investors Group Fund, since all Investors Group Funds are associates of the Filer.

16. The NI 81-102 Funds can rely on the exemption from the 81-102 Prohibition in section 4.3(1) of NI 81-102 (the **4.3(1) Exemption**), which permits the NI 81-102 Funds to engage in Inter-Fund Trades of Exchange Traded Securities with other NI 81-102 Funds and Private Pools.

17. The NI 81-102 Funds are, however, unable to rely on the 4.3(1) Exemption to engage in Inter-Fund Trades of non-exchange traded debt securities with other NI 81-102 Funds or Private Pools because debt securities are typically not subject to public quotations, which is a requirement of the 4.3(1) Exemption.

18. The NI 81-102 Funds can rely on the exemption from the 81-102 Prohibition in section 4.3(2) of NI 81-102 (the **4.3(2) Exemption**), which permits the NI 81-102 Funds to engage in Inter-Fund Trades of debt securities with other NI 81-102 Funds.

19. The NI 81-102 Funds are, however, unable to rely on the 4.3(2) Exemption to engage in Inter-Fund Trades of debt securities with the Private Pools because the Private Pools are not subject to NI 81-107, and the 4.3(2) Exemption only applies where funds on both sides of the Inter-Fund Trade are investment funds to which NI 81-107 applies.

20. In addition to the 81-102 Prohibition, the 31-103 Prohibition also applies to both the NI 81-102 Funds and the Private Pools, and prevents certain Inter-Fund Trades between the Investors Group Funds.

21. The 31-103 Prohibition prohibits the Filer from knowingly causing the investment portfolio of an Investors Group Fund to purchase or sell a security to or from an investment fund for which it acts as an adviser, which includes all other Investors Group Funds.

22. The Filer received exemptive relief from the 31-103 Prohibition in a decision document dated October 14, 2015 permitting the NI 81-102 Funds to use the Last Sale Price in lieu of the Closing Sale Price where the securities involved in the inter-fund trade are Exchange-Traded Securities and the inter-fund trade is between NI 81-102 Funds (the **Last Sale Price Relief**).

23. The Filer relies on the exemption from the 31-103 Prohibition in section 6.1 of NI 81-107 (the **81-107 Exemption**, and together with the 4.3(1) Exemption, the 4.3(2) Exemption and the Last Sale Price Relief, the **Inter-Fund Trading Exemptions**), as modified by the Last Sale Price Relief, to cause Inter-Fund Trades between NI 81-102 Funds at the Last Sale Price.

24. The Filer is, however, unable to rely on the 81-107 Exemption, as modified by the Last Sale Price Relief, to cause Inter-Fund Trades between a NI 81-102 Fund and a Private Pool or between two Private Pools, because the Private Pools are not subject to NI 81-107. The Filer is therefore prohibited from causing a Private Pool to purchase a security from or sell a security to another Private Pool or an NI 81-102 Fund.

25. The Filer submits that, because of the investment objectives and investment strategies utilized by the Investors Group Funds, it may be appropriate for different investment portfolios to acquire or dispose of the same securities through the same trading system, rather than with a third party. Authorizing the Inter-Fund Trades may result in such benefits as lower trading costs, reduced market disruption and quicker execution.

26. The Filer has determined that it would be in the best interests of the Investors Group Funds to receive the Exemption Sought because making all Investors Group Funds subject to the same set of rules governing the execution of Inter-Fund Trades will result in:

    (a) cost and timing efficiencies in respect of the execution of Inter-Fund Trades; and

    (b) simplified and more efficient monitoring thereof for the Filer in connection with the execution of Inter-Fund Trades.

27. The Filer considers that it would be in the best interests of the NI 81-102 Funds and the Private Pools if an Inter-Fund Trade between a NI 81-102 Fund and a Private Pool, or between Private Pools, could be made at the Last Sale Price prior to execution of the trade in lieu of the Closing Sale Price, since this will result in the trade being done at the price which is closest to the executable price at the time the decision to make the trade is made. This would also be consistent with the Last Sale Price Relief that applies to inter-fund trades involving only NI 81-102 Funds.

28. Each Inter-Fund Trade will be consistent with the investment objectives of the applicable Investors Group Funds.

29. The Filer has in place policies and procedures to enable the Investors Group Funds to engage in Inter-Fund Trades.

30. When the Filer engages in an Inter-Fund Trade, it will follow the following procedures:

    (a) the Filer, as the portfolio advisor, will deliver the trade instruction in respect of a purchase or sale of a security by an Investors Group Fund (Account A), to a trader on the Filer's trading desk;

(b) the Filer, as the portfolio advisor, will deliver the trade instruction in respect of a purchase or sale of a security by another Investors Group Fund (Account B), to a trader on the Filer's trading desk;

(c) the trader on the Filer's trading desk will have the discretion to execute the trade as an Inter-fund Trade between Account A and Account B at the Last Sale Price of the security, prior to the execution of the trade;

(d) the policies applicable to the Filer's trading desk will require that all orders, once approved, are to be executed on a timely basis; and

(e) the portfolio advisor or trader on the Filer's trading desk will advise the Filer of the Last Sale Price.

31. The Filer is capable of complying with the same conditions that apply to the NI 81-102 Funds that rely on the Inter-Fund Trading Exemptions when conducting Inter-Fund Trades between Private Pools or between a Private Pool and a NI 81-102 Fund.

Independent Review Committee

32. The Filer has established an IRC in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

33. The IRC has adopted procedures for approving Inter-Fund Trades between NI 81-102 Funds in accordance with the Inter-Fund Trading Exemptions.

34. The Filer has amended the mandate of the IRC to include granting approval to (a) the NI 81-102 Funds to purchase non-exchange-traded debt securities from or sell non-exchange traded debt securities to one or more Private Pools, (b) the NI 81-102 Funds to purchase securities from or sell securities to a Private Pool; and (c) the Private Pools to purchase securities from or sell securities to another Private Pool or a NI 81-102 Fund.

35. The IRC is, and will continue to be, comprised by the Filer in accordance with section 3.7 of NI 81-107 and is expected to comply with the standard of care set out in section 3.9 of NI 81-107.

36. Inter-Fund Trades involving Investors Group Funds will be referred to and approved by the IRC under sections 5.2(1) and 5.4 of NI 81-107.

37. The IRC will not provide any of the approvals referred to in paragraph 36 unless it has made the determination set out in section 5.2(2) of NI 81-107.

38. The Filer and the IRC will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade.

39. If the IRC becomes aware of an instance where the Filer did not comply with the terms of the Exemption Sought or a condition imposed by the IRC in its approval, the IRC will, as soon as reasonably practicable, notify the securities regulatory authority or regulator in the jurisdiction under which the Investors Group Fund is organized in writing.

40. The Filer has determined that it will be in the best interests of the Investors Group Funds to receive the Exemption Sought.

DECISION

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

The decision of the Decision Makers under the Legislation is that:

(a) the 81-102 Relief is granted provided that the following conditions are satisfied:

a. the transaction is consistent with the investment objective of each of the Investors Group Funds involved in the trade;

b. the IRC of each Investors Group Fund involved in the trade has approved the transaction on behalf of such Investors Group Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

c. the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107; and

(b) the Inter-Fund Trading Relief is granted provided that the following conditions are satisfied:

a. the Inter-Fund Trade is consistent with the investment objective of each of the Investors Group Fund involved in the Inter-Fund Trade;

b. the Filer, as manager of the Investors Group Funds, refers the Inter-Fund Trade involving an Investors Group Fund to the IRC in the manner contemplated by section 5.1 of NI 81-107, and the Filer, as manager of the Investors Group Funds, and the IRC of the Investors Group Funds comply with section 5.4 of NI 81-107 in respect to any standing instructions the IRC provides in connection with the Inter-Fund Trade;

c. the IRC of each Investors Group Fund involved in the Inter-Fund Trade has approved the transaction on behalf of such Investors Group Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and

d. the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that, for the purposes of paragraph (e) of subsection 6.1(2) of NI 81-107 in respect of Exchange-Traded Securities, the current market price of the securities may be the Last Sale Price.

"Chris Besko"
Director
Manitoba Securities Commission

2.1.4 I.G. Investment Management, Ltd. and Investors Group Funds

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to permit funds to invest in non-exchange traded debt securities issued by related issuers and to permit pooled funds to also invest in exchange traded securities issued by related issuers – related parties to funds are significant issuers of debt securities in Canada – transactions in non-exchanged traded debt securities will be subject to terms and conditions regarding pricing – purchases of exchange traded securities by pooled funds will comply with NI 81-107.

Applicable Legislative Provisions

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

March 30, 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
I.G. INVESTMENT MANAGEMENT, LTD.
(the Filer)

AND

IN THE MATTER OF
THE INVESTORS GROUP FUNDS
(as defined below)

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) on behalf of Investors Risk Parity Private Pool and future mutual funds of which the Filer or an affiliate of the Filer is, or will be, the investment fund manager and portfolio advisor, to which National Instrument NI 81-102 – *Investment Funds* (**NI 81-102**) does not apply (each a **Private Pool Fund** and, collectively, the **Private Pools**) and existing mutual funds and future mutual funds of which the Filer is, or will be, the investment fund manager and portfolio advisor, to which NI 81-102 applies (each an **NI 81-102 Fund**, and, collectively, the **NI 81-102 Funds**, and together with the Private Pools, the **Investors Group Funds**) for exemptive relief from the provisions in securities legislation (the **Related Issuer Prohibition**) that prohibit an investment fund from knowingly making or holding an investment in:

(a) any person or company who is a substantial security holder of the investment fund, its management company or distribution company; or

(b) an issuer in which any person or company who is a substantial security holder of the investment fund, its management company or its distribution company has a significant interest

(each such person, company or issuer, a **Related Issuer**) in order to permit:

(a) the Private Pools to purchase, in the secondary market, non-exchange-traded debt securities and exchange-traded debt or equity securities of a Related Issuer; and

(b) the Investors Group Funds to purchase, in the secondary market, non-exchange-traded debt securities of a Related Issuer;

(the **Exemption Sought**).

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

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

(b) the Filers have provided notice that section 5.4(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the **Passport Jurisdictions**).

INTERPRETATION

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

"Canadian Jurisdictions" means the Jurisdiction and the Passport Jurisdictions;

"IRC" means the independent review committee of the Investors Group Funds; and

"NI 81-107" means National Instrument 81-107 – *Independent Review Committee*.

REPRESENTATIONS

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

<u>The Filer and the Investors Group Funds</u>

1. The head office of the Filer is located in Winnipeg, Manitoba.

2. Each NI 81-102 Fund is, or will be, organized under the laws of Manitoba as an open-ended mutual fund established as a trust pursuant to a master declaration of trust dated October 1, 2007, as amended from time to time or is, or will be, organized as an open-ended mutual fund established as a separate class of mutual fund shares issued by Investors Group Corporate Class Inc., a mutual fund corporation governed by the *Canada Business Corporations Act*.

3. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and portfolio advisor of the NI 81-102 Funds.

4. Each Private Pool is, or will be, organized under the laws of Manitoba as an open-ended mutual fund established as a trust pursuant to a master declaration of trust dated as of January 15, 2016, as amended from time to time, or is, or will be, organized as an open-ended mutual fund established as a separate class of mutual fund shares issued by IG Corporate Class Inc.

5. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and portfolio advisor of the Private Pools.

6. The Filer is registered as a portfolio manager and an investment fund manager in Manitoba, Ontario and Quebec, and as an investment fund manager in Newfoundland and Labrador. It is also registered as an advisor under the *Commodity Futures Act* in Manitoba.

7. Each of the NI 81-102 Funds is, or will be, a reporting issuer in each of the Canadian Jurisdictions. The securities of the NI 81-102 Funds are, or will be, qualified for distribution pursuant to simplified prospectuses, annual information forms and fund facts prepared and filed in accordance with the securities legislation of each of the Canadian Jurisdictions.

8. Investors Risk Parity Private Pool is not a reporting issuer under the Legislation. None of the future Private Pools will be a reporting issuer under the Legislation. The securities of the Private Pools are, or will be, distributed in Canada pursuant to exemptions from the prospectus requirement. The Private Pools are not, or will not, be subject to NI 81-102.

9. Neither the Filer nor any Investors Group Fund is in default of securities legislation in any Jurisdiction.

10. Each of Power Corporation of Canada (**PCC**), Power Financial Corporation (**PFC**) and Great- West Lifeco Inc. (**GWL**) is, indirectly, a substantial securityholder of the Filer and is thus a Related Issuer of the Filer.

11. Each of PCC, PFC and GWL may, from time to time, hold a significant interest in other issuers which will result in such other issuers being Related Issuers of the Filer.

Exemption Sought

12. The Filer wishes to invest on behalf of the Investors Group Funds in the securities of the Related Issuers when such investments are consistent with the investment objectives and strategies of the relevant Investors Group Fund.

13. PCC, PFC and GWL are significant issuers of securities that are listed on the Toronto Stock Exchange. PCC, PFC and GWL are also significant issuers of non-exchange traded, investment grade quality fixed income securities in the debt markets.

14. The Related Issuer Prohibition applies to both the NI 81-102 Funds and the Private Pools.

15. The Related Issuer Prohibition prohibits the Filer, on behalf of an Investors Group Fund from making an investment in a substantial securityholder of the Investors Group Fund, the Filer, or a distribution company of the Investors Group Fund. The Related Issuers are substantial securityholders of the Filer, therefore, the Filer is prohibited from making an investment in a Related Issuer on behalf of an Investors Group Fund.

16. The NI 81-102 Funds can rely on the exemption set out in section 6.2 of NI 81-107 (the **Related Issuer Exemption**), which permits NI 81-102 Funds to invest in securities of Related Issuers, subject to certain conditions, including that trades in securities of Related Issuers are made on an exchange and approved by the IRC of the NI 81-102 Funds.

17. The Related Issuer Exemption is not available to the Private Pools as the Private Pools are not reporting issuers and thus are not subject to NI 81-107.

18. The Related Issuer Exemption is also not available to the NI 81-102 Funds where the securities of the Related Issuer are non-exchange-traded debt securities.

19. There may be significant benefit to a Private Pool to be able to trade in the secondary market in exchange-traded debt and equity securities of Related Issuers, and the Filer is capable of complying with the same conditions as apply to the NI 81-102 Funds that rely on the Related Issuer Exemption when trading in exchange-traded equity and debt securities of Related Issuers on behalf of the Private Pools.

20. There may be significant benefit to the Investors Group Funds to be able to invest in non-exchange traded debt securities of Related Issuers with a “designated rating” by a “designated rating organization” within the meaning of National Instrument 44-101 – *Short Form Prospectus Distributions* (**NI 44-101**), on the terms and conditions noted below, for the following reasons:

    (i) there is a limited supply of debt securities issued by an issuer other than the federal or a provincial government which have a “designated rating” by a “designated rating organization”;

    (ii) diversification is reduced to the extent that an Investors Group Fund is limited with respect to investment opportunities; and

    (iii) investing in debt securities of Related Issuers cannot be replicated by investing in other securities of similarly situated issuers, as they are a distinct investment. Investors Group Funds may be prejudiced if they cannot purchase non-exchange-traded debt securities of Related Issuers that are consistent with the Investors Group Fund’s investment objective.

21. The Filer has determined that it would be in the best interests of the Investors Group Funds to have the ability to invest in non-exchange-traded debt securities of Related Issuers.

22. The Filer has also determined that it would be in the best interests of the Private Pools to have the same ability to invest in exchange-traded debt and equity securities of Related Issuers as the NI 81-102 Funds have.

23. Each exchange-traded debt or equity security of a Related Issuer purchased by a Private Pool in the secondary market pursuant to the Exemption Sought will be purchased on an exchange where the securities are listed.

24. Each purchase of securities of a Related Issuer will occur in the secondary market, and not under primary distributions or treasury offerings of a Related Issuer.

25. Each purchase of securities of a Related Issuer conducted by an Investors Group Fund will represent the business judgement of 'responsible persons' uninfluenced by considerations other than the best interests of the Investors Group Funds.

Independent Review Committee

26. The Filer has established an IRC in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

27. The IRC has adopted procedures for approving transactions by NI 81-102 Funds in securities of Related Issuers in accordance with the Related Issuer Exemption.

28. The Filer has amended the mandate of the IRC to include approving the transactions entered into by the NI 81-102 Funds in non-exchange-traded debt securities of Related Issuers and by the Private Pools in exchange-traded debt and equity securities of Related Issuers (the **Exempt Transactions**).

29. The IRC is, and will continue to be, comprised by the Filer in accordance with section 3.7 of NI 81-107 and is expected to comply with the standard of care set out in section 3.9 of NI 81-107.

30. The Exempt Transactions will be referred to and approved by the IRC under sections 5.2(1) and 5.4 of NI 81-107.

31. The IRC will not provide approval for any Exempt Transaction unless it has made the determination set out in section 5.2(2) of NI 81-107.

32. The Filer and the IRC will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Exempt Transactions.

33. If the IRC becomes aware of an instance where the Filer did not comply with the terms of the Exemption Sought or a condition imposed by the IRC in its approval, the IRC will, as soon as reasonably practicable, notify the securities regulatory authority or regulator in the jurisdiction under which the Investors Group Fund is organized in writing.

34. The Filer has determined that it will be in the best interests of the Investors Group Funds to receive the Exemption Sought.

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 to permit:

1. a Private Pool to make and hold an investment in exchange-traded securities of a Related Issuer listed and traded on an exchange, on the following conditions:

    (a) the purchase is made on an exchange where the securities are listed and traded;

    (b) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Private Pool;

    (a) at the time of the purchase, the IRC of the Private Pool has approved the transaction in accordance with section 5.2(2) of NI 81-107;

    (b) the Filer, as the manager of the Private Pool, complies with section 5.1 of NI 81-107 and the Filer, as the manager of the Private Pool, and the IRC of the Private Pool comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the investment;

    (c) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

    (d) no later than the time the Private Pool files its annual financial statements, if required, and no later than the 90th day after each financial year-end of the Private Pool, the Filer, or an affiliate of the Filer, as manager of

the Private Pool, files with the securities regulatory authority or regulator the particulars of any such investments; and

2. an Investors Group Fund to make and hold an investment in non-exchange traded debt securities of a Related Issuer in the secondary market on the following conditions:

   (a) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Investors Group Fund;

   (b) at the time of the purchase, the IRC has approved the transaction on behalf of the Investors Group Fund in accordance with subsection 5.2(2) of NI 81-107;

   (c) the Filer, as the manager of the Investors Group Fund, complies with section 5.1 of NI 81-107 and the Filer, as the manager of the Investors Group Fund, and the IRC comply with section 5.4 of NI 81.107 for any standing instructions the IRC provides in connection with the investment;

   (d) the security has been given and continues, at the time of purchase, to have a "designated rating" by a "designated rating organization" within the meaning of NI 44-101;

   (e) the price payable for the security is not more than the ask price of the security;

   (f) the ask price of the security is determined as follows:

      (i) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

      (ii) if the purchase does not occur on a marketplace,

         A. the Investors Group Fund may pay the price for the security at which an independent, arm's-length seller is willing to sell the security; or

         B. if the Investors Group Fund does not purchase the security from an independent arm's length seller, the Investors Group Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's length purchaser or seller and not pay more than that quote;

   (g) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

   (h) no later than the time the Investors Group Fund files its annual financial statements, and no later than the 90th day after each financial year-end of the Investors Group Fund, the Filer, or an affiliate of the Filer, as manager of the Investors Group Fund, files with the securities regulatory authority or regulator the particulars of any such investments.

"Philip Anisman"
Commissioner

"Frances Kordyback"
Commissioner

2.1.5 I.G. Investment Management, Ltd. and Investors Group Funds

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraph 13.5(2)(a) of NI 31-103 to permit funds to invest in non-exchange traded debt securities issued by related issuers and to permit pooled funds to also invest in exchange traded securities issued by related issuers-related parties to funds are significant issuers of debt securities in Canada- transactions in non -exchange traded debt securities will be subject to terms and conditions regarding pricing-purchases of exchange traded securities by pooled funds subject to terms and conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(a), 15.1.
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.2.

April 28, 2017

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

AND

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

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(the Filer)

AND

IN THE MATTER OF
THE INVESTORS GROUP FUNDS
(as defined below)

DECISION

BACKGROUND

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for exemptive relief under section 15.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) from section 13.5(2)(a) of NI 31-103, which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, officer or director (a **Related Issuer**) unless this fact is disclosed to the client and the written consent of the client is obtained before the purchase (the **Related Issuer Prohibition**), in order to permit (a) Investors Risk Parity Private Pool and future mutual funds of which the Filer or an affiliate of the Filer is, or will be, the investment fund manager, to which National Instrument NI 81-102 – *Investment Funds* (**NI 81-102**) does not apply (each a **Private Pool Fund** and, collectively, the **Private Pools**) to purchase, in the secondary market, non-exchange-traded debt securities and exchange-traded debt or equity securities of a Related Issuer, and (b) existing mutual funds and future mutual funds of which the Filer is, or will be, the investment fund manager, to which NI 81-102 applies (each an **NI 81-102 Fund**, and, collectively, the **NI 81-102 Funds**) and Private Pools (collectively, the **Investors Group Funds**) to purchase, in the secondary market, non-exchange-traded debt securities of a Related Issuer (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that section 5.4(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the North West Territories (the **Passport Jurisdictions**);

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

INTERPRETATION

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

"Canadian Jurisdictions" means the Jurisdictions and the Passport Jurisdictions;

"IRC" means the independent review committee of the Investors Group Funds; and

"NI 81-107" means National Instrument 81-107 – *Independent Review Committee*.

REPRESENTATIONS

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

The Filer and the Investors Group Funds

1. The head office of the Filer is located in Winnipeg, Manitoba.

2. Each NI 81-102 Fund is, or will be, organized under the laws of Manitoba as an open-ended mutual fund established as a trust pursuant to a master declaration of trust dated October 1, 2007, as amended from time to time (the **NI 81-102 Fund Trusts**), or is, or will be, organized as an open-ended mutual fund established as a separate class of mutual fund shares issued by Investors Group Corporate Class Inc., a mutual fund corporation governed by the *Canada Business Corporations Act* (**IG Corporate Class**).

3. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and portfolio advisor of the NI 81-102 Funds and the trustee of the NI 81-102 Fund Trusts.

4. Each Private Pool is, or will be, organized under the laws of Manitoba as an open-ended mutual fund established as a trust pursuant to a master declaration of trust dated as of January 15, 2016, as amended from time to time (the **Private Pool Trusts**), or is, or will be, organized as an open-ended mutual fund established as a separate class of mutual fund shares issued by IG Corporate Class.

5. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and portfolio advisor of the Private Pools and the trustee of the Private Pool Trusts.

6. The Filer is registered as a portfolio manager and an investment fund manager in Manitoba, Ontario and Quebec, and as an investment fund manager in Newfoundland and Labrador. It is also registered as an advisor under the *Commodity Futures Act* in Manitoba.

7. Each of the NI 81-102 Funds is, or will be, a reporting issuer in each of the Canadian Jurisdictions. The securities of the NI 81-102 Funds are, or will be, qualified for distribution pursuant to simplified prospectuses, annual information forms and fund facts prepared and filed in accordance with the securities legislation of each of the Canadian Jurisdictions.

8. Each of the NI 81-102 Funds is, or will be, subject to NI 81-102.

9. Investors Risk Parity Private Pool is not a reporting issuer under the Legislation. None of the future Private Pools will be a reporting issuer under the Legislation. The securities of the Private Pools are, or will be, distributed in Canada pursuant to exemptions from the prospectus requirement. The Private Pools are not, or will not, be subject to NI 81-102.

10. Neither the Filer nor any Investors Group Fund is in default of securities legislation in any Jurisdiction.

Exemption Sought

11. Each of Power Corporation of Canada ("**PCC**"), Power Financial Corporation ("**PFC**") and Great-West Lifeco Inc. ("**GWL**") is a reporting issuer of equity securities which are listed on the Toronto Stock Exchange, and is a significant issuer of non-exchange traded debt securities. All of PCC, PFC and GWL are significant issuers in the Canadian capital markets.

12. Each of PCC, PFC and GWL (the **Related Issuers**, and each a **Related Issuer**) is an affiliate of the Filer. Each Related Issuer may have from time to time directors and/or officers who are also directors and/or officers of the Filer. In circumstances where an individual serves as a director and/or officer of both the Filer and a Related Issuer, such director and/or officer is a "responsible person" of the Filer.

13. The Related Issuer Prohibition set out in Section 13.5(2)(a) of NI 31-103 prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase a security of an issuer in which a responsible person or an associate of a responsible person is a partner, director or officer, unless this fact is disclosed to the client and written consent is obtained before the purchase.

14. In circumstances where an individual serves as a director and/or officer of both the Filer and a Related Issuer, the Related Issuer Prohibition prohibits the Filer from purchasing a security of such Related Issuer on behalf of an Investors Group Fund unless this fact is disclosed to the client and written consent is obtained before the purchase.

15. The Filer wishes to invest on behalf of the Investors Group Funds in the securities of the Related Issuers when such investments are consistent with the investment objectives and strategies of the relevant Investors Group Fund.

16. Without the Exemption Sought, the Filer would be precluded from investing in the securities of one or more Related Issuers on behalf of (a) all Investors Group Funds, in respect of non-exchange traded debt securities of the Related Issuers which may be issued from time to time, and (b) the Private Pools, in respect of exchange-traded equity and debt securities of Related Issuers (the **Related Issuer Transactions**).

17. The NI 81-102 Funds can rely on the exemption set out in section 6.2 of NI 81-107 (the **Related Issuer Exemption**), which permits NI 81-102 Funds to invest in securities of Related Issuers, subject to certain condition, including that trades in securities of Related Issuers are made on an exchange and approved by the IRC of the NI 81-102 Funds.

18. The Related Issuer Exemption is not available to the Private Pools as the Private Pools are not reporting issuers and thus are not subject to NI 81-107.

19. The Related Issuer Exemption is also not available to the NI 81-102 Funds where the securities of the Related Issuer are non-exchange-traded debt securities.

20. Investing in the securities of Related Issuers cannot be replicated by investing in other securities of similarly situated issuers, as they are a distinct investment. The Related Issuers are significant participants in the Canadian insurance and financial services industries and may be included in investment portfolios which offer sector exposure to the Canadian, North American and/or global financial services industry, geographic exposure to Canada or North America, asset class exposure to large-capitalization issuers or a combination of the foregoing objectives and/or strategies.

21. There may be significant benefit to a Private Pool to be able to trade in the secondary market in exchange-traded debt and equity securities of Related Issuers, and the Filer is capable of complying with the same conditions as apply to the NI 81-102 Funds that rely on the Related Issuer Exemption when trading in exchange-traded equity and debt securities of Related Issuers on behalf of the Private Pools.

22. The Related Issuers may be significant issuers of non-exchange traded, investment grade quality fixed income securities in the debt markets. There may be significant benefit to the Investors Group Funds to be able to invest in non-exchange traded debt securities of Related Issuers with a "designated rating" by a "designated rating organization" within the meaning of National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**"), on the terms and conditions noted below, for the following reasons:

    (i) there is a limited supply of debt securities issued by an issuer other than the federal or a provincial government which have a "designated rating" by a "designated rating organization";

    (ii) diversification is reduced to the extent that an Investors Group Fund is limited with respect to investment opportunities; and

(iii) Investors Group Funds may be prejudiced if they cannot purchase non-exchange-traded debt securities of Related Issuers that are consistent with the Investors Group Fund's investment objective.

23. The Filer has determined that it would be in the best interests of the Investors Group Funds to have the ability to invest in non-exchange-traded debt securities of Related Issuers.

24. The Filer has also determined that it would be in the best interests of the Private Pools to have the same ability to invest in exchange-traded debt and equity securities of Related Issuers as the NI 81-102 Funds have.

25. Each exchange-traded debt or equity security of a Related Issuer purchased by a Private Pool in the secondary market pursuant to the Exemption Sought will be purchased on an exchange where the securities are listed.

26. Each non-exchange-traded debt security of a Related Issuer purchased by an Investors Group Fund in the secondary market pursuant to the Exemption Sought will have been given, and continue to have, at the time of purchase, a "designated rating" by a "designated rating organization" within the meaning of those terms in NI 44-101.

27. Each purchase of securities of a Related Issuer will occur in the secondary market, and not under primary distributions or treasury offerings of a Related Issuer.

28. Each purchase of securities of a Related Issuer conducted by an Investors Group Fund will represent the business judgement of 'responsible persons' uninfluenced by considerations other than the best interest of the Investors Group Funds.

<u>Independent Review Committee</u>

29. The Filer has established an IRC in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

30. The IRC has adopted procedures for approving transactions by NI 81-102 Funds in securities of Related Issuers in accordance with the Related Issuer Exemption.

31. The Filer has amended the mandate of the IRC to include approving the Related Issuer Transactions.

32. The IRC is, and will continue to be, comprised by the Filer in accordance with section 3.7 of NI 81-107 and is expected to comply with the standard of care set out in section 3.9 of NI 81-107.

33. Related Issuer Transactions will be referred to and approved by the IRC under sections 5.2(1) and 5.4 of NI 81-107.

34. The IRC will not provide approval for any Related Issuer Transaction unless it has made the determination set out in section 5.2(2) of NI 81-107.

35. The Filer and the IRC will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Related Issuer Transaction.

36. If the IRC becomes aware of an instance where the Filer did not comply with the terms of the Exemption Sought or a condition imposed by the IRC in its approval, the IRC will, as soon as reasonably practicable, notify the securities regulatory authority or regulator in the jurisdiction under which the Investors Group Fund is organized in writing.

37. The Filer has determined that it will be in the best interests of the Investors Group Funds to receive the Exemption Sought.

DECISION

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted to permit:

1. a Private Pool to make and hold an investment in exchange-traded securities of a Related Issuer listed and traded on an exchange, on the following conditions:

   (a) the purchase is made on an exchange where the securities are listed and traded;

(b) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Private Pool;

(c) at the time of the purchase, the IRC of the Private Pool has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(d) the Filer, as the manager of the Private Pool, complies with section 5.1 of NI 81-107 and the Filer, as the manager of the Private Pool, and the IRC of the Private Pool comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the investment;

(e) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

(f) no later than the time the Private Pool files its annual financial statements, if required, and no later than the 90th day after each financial year-end of the Private Pool, the Filer, or an affiliate of the Filer, as manager of the Private Pool, files with the securities regulatory authority or regulator the particulars of any such investments; and

2. an Investors Group Fund to make and hold an investment in non-exchange traded debt securities of a Related Issuer in the secondary market on the following conditions:

(a) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Investors Group Fund;

(b) at the time of the purchase, the IRC has approved the transaction on behalf of the Investors Group Fund in accordance with subsection 5.2(2) of NI 81-107;

(c) the Filer, as the manager of the Investors Group Fund, complies with section 5.1 of NI 81-107 and the Filer, as the manager of the Investors Group Fund, and the IRC comply with section 5.4 of NI 81.107 for any standing instructions the IRC provides in connection with the investment;

(d) the security has been given and continues, at the time of purchase, to have a "designated rating" by a "designated rating organization" within the meaning of NI 44-101;

(e) the price payable for the security is not more than the ask price of the security;

(f) the ask price of the security is determined as follows:

(i) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(ii) if the purchase does not occur on a marketplace,

A. the Investors Group Fund may pay the price for the security at which an independent, arm's-length seller is willing to sell the security; or

B. if the Investors Group Fund does not purchase the security from an independent arm's length seller, the Investors Group Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's length purchaser or seller and not pay more than that quote;

(g) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107; and

(h) no later than the time the Investors Group Fund files its annual financial statements if required, and no later than the 90th day after each financial year-end of the Investors Group Fund, the Filer, or an affiliate of the Filer, as manager of the Investors Group Fund, files with the securities regulatory authority or regulator the particulars of any such investments.

"Chris Besko"
Director
Manitoba Securities Commission

2.1.6 Vivendi S.A.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and registration requirements for certain trades made in connection with an Employee Offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus Exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities of FCPE are subject to the supervision of the local securities regulator – Canadian participants will not be induced to participate in the offering by expectation of employment or continued employment – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are de minimis – Relief granted, subject to conditions – five year sunset clause.

Applicable Legislative Provisions

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

May 16, 2017

TRANSLATION

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

AND

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

AND

IN THE MATTER OF
VIVENDI S.A.
(the Filer)

DECISION

Background

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

1. an exemption from the prospectus requirement (the **Prospectus Relief**) so that such requirement does not apply to:

    (a) trades of:

        (i) units (the **2017 Units**) of a compartment named *Opus 17 Levier Canada* (the 2**017 Compartment**), a compartment of a *fonds commun de placement d'entreprise* or "**FCPE**", a form of collective shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee-investors named *Opus Vivendi* (the **Fund**, and together with the Compartments (as defined below) and the Transfer Fund (as defined below), the **Funds**); and

        (ii) units (together with the 2017 Units, the **Units**) of future compartments of the Fund organized in the same manner as the 2017 Compartment (together with the 2017 Compartment, the **Compartments**),

    made under Vivendi Group Employee Savings Plan (**PEG**) to or with Qualifying Employees (as defined below) resident in the Jurisdictions (collectively, the **Canadian Employees**, and Canadian Employees who subscribe for Units, the **Canadian Participants**);

(b) trades of ordinary shares of the Filer (the **Shares**) by the relevant Compartment and the Transfer Fund to or with Canadian Participants upon the redemption of Units and Transfer Fund Units (as defined below), respectively, as requested by Canadian Participants; and

(c) trades of Transfer Fund Units made pursuant to an Employee Offering (as defined below) to or with Canadian Participants, including upon a transfer of the Canadian Participants' assets in the relevant Compartment to the Transfer Fund at the end of the Lock-Up Period (as defined below); and

2. an exemption from the dealer registration requirement (the **Registration Relief**, and together with the Prospectus Relief, the **Offering Relief**) so that such requirement does not apply to the Filer and its Local Related Entities (as defined below), the Funds and Société Générale Gestion (the **Management Company**) in respect of:

(a) trades in Units made pursuant to an Employee Offering to or with Canadian Employees not resident in Ontario;

(b) trades in Shares by the relevant Compartment and the Transfer Fund to or with Canadian Participants upon the redemption of Units and Transfer Fund Units, respectively, as requested by Canadian Participants; and

(c) trades in Transfer Fund Units made pursuant to an Employee Offering to or with Canadian Participants, including upon a transfer of the Canadian Participants' assets in the relevant Compartment to the Transfer Fund at the end of the applicable Lock-Up Period.

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

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

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

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

Interpretation

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

"Related entity" has the same meaning given to such term in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) under the heading "Division 4 – Employee Executive Officer, Director and Consultant Exemptions".

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. The head office of the Filer is located in France and the Shares are listed on Euronext Paris. The Filer is not in default of securities legislation of any jurisdiction of Canada.

2. The Filer carries on business in Canada through certain related entities and has established a global employee share offering under the PEG (the **2017 Employee Offering**) and expects to establish subsequent global employee share offerings following 2017 for the next four years that are substantially similar (**Subsequent Employee Offerings**, and together with the 2017 Employee Offering, the **Employee Offerings**) for Qualifying Employees and its participating related entities, including related entities that employ Canadian Employees (**Local Related Entities**, and together with the Filer and other related entities of the Filer, the **Vivendi Group**). Each Local Related Entity is a direct or indirect controlled subsidiary of the Filer and no Local Related Entity has any current intention of becoming a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. Currently, the greatest number of employees of Local Related Entities reside in Québec.

3. As of the date hereof, "Local Related Entities" include Divertissements Gameloft Inc., Divertissements Gameloft Toronto Inc., Developpements Gameloft Inc., Universal Music Canada Inc. and TerraTerra Communications Inc. For any Subsequent Employee Offering, the list of "Local Related Entities" may change.

4. Each Employee Offering will be made under the terms as set out herein and for greater certainty, all of the representations will be true for each Employee Offering other than paragraphs 3 and 29 which may change (save for references to the 2017 Compartment and the 2017 Employee Offering which will be varied such that they are read as references to the relevant Compartment and Subsequent Employee Offering, respectively).

5. As of the date hereof and after giving effect to any Employee Offering, Canadian residents do not and will not beneficially own more than 10% of the Shares (which term, for the purposes of this paragraph, is deemed to include all Shares held by the relevant Compartment and the Transfer Fund on behalf of Canadian Participants) issued and outstanding, and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

6. Each Employee Offering involves an offering of Shares to be subscribed through the relevant Compartment of the Fund (the **Leveraged Plan**), subject to the decision of the supervisory boards of the FCPEs and the approval of the French AMF (as defined below).

7. Only persons who are employees of an entity forming part of the Vivendi Group during the subscription period for an Employee Offering and who meet other employment criteria (the **Qualifying Employees**) will be allowed to participate in the relevant Employee Offering.

8. The 2017 Compartment was established for the purpose of implementing the 2017 Employee Offering. The Fund was established for the purpose of implementing the Employee Offering generally. There is no current intention for any of the 2017 Compartment or the Fund to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada. There is no intention for any Transfer Fund that will be established for the purpose of receiving assets transferred at the end of the applicable Lock-Up Period or any future Compartment that will be established for the purpose of implementing Subsequent Employee Offerings to become a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.

9. The Fund, the 2017 Compartment and the Transfer Fund have been registered with, and approved by, the Autorité des marchés financiers in France (the **French AMF**). It is expected that each Compartment established for Subsequent Employee Offerings will be registered with, and approved by, the French AMF.

10. Under the Leveraged Plan, each Employee Offering will be made as follows:

    (a) Canadian Participants will subscribe for Units, and the relevant Compartment will then subscribe for Shares using the Employee Contribution (as defined below) and certain financing made available by Société Générale (the **Bank**), which is a bank governed by the laws of France.

    (b) The subscription price will be the Canadian dollar equivalent of the average opening price of the Shares (expressed in Euros) on Euronext Paris for the 20 trading days preceding the date of the fixing of the subscription price (the **Reference Price**), less a specified discount to the Reference Price.

    (c) Canadian Participants will contribute 10% of the price of each Share to the relevant Compartment (the **Employee Contribution**). The relevant Compartment will enter into a swap agreement (the **Swap Agreement**) with the Bank. Under the terms of the Swap Agreement, the Bank will contribute the remaining 90% of the price of each Share to be subscribed for by the relevant Compartment (the **Bank Contribution**). The relevant Compartment will apply the cash received from the Employee Contribution and the Bank Contribution to subscribe for Shares.

    (d) Each Canadian Participant will receive Units in the relevant Compartment entitling him or her to the Euro amount of the Employee Contribution and a multiple of the Average Increase (as defined below) in the price of the Share subscribed for on his or her behalf.

    (e) Under the terms of the Swap Agreement, the relevant Compartment will remit to the Bank an amount equal to the net amount of any dividends paid on the Shares held in such Compartment.

    (f) The Units will be subject to a hold period of approximately five years (the **Lock-Up Period**), subject to certain exceptions provided for in the PEG and adopted for an Employee Offering (such as death, disability or involuntary termination of employment).

    (g) In the event of an early exit resulting from a Canadian Participant exercising one of the exceptions to the Lock-Up Period (**Early Redemption**), the Canadian Participant may request the redemption of Units from the relevant Compartment using the Redemption Formula (as defined below).

(h) At the end of the applicable Lock-Up Period, the relevant Compartment will owe to the Bank an amount equal to the market value of the Shares held in the relevant Compartment (as determined pursuant to the terms of the Swap Agreement), less

(i) 100% of the Employee Contributions, plus the greater of:

(1) a guaranteed annual return on the Employee Contributions, or

(2) a multiple of the Participation Percentage (as defined below) multiplied by the quotient obtained from dividing the Reference Price by the Average Increase of the Shares, if any, and further multiplied by the difference between the Average Increase and the Reference Price (the **Appreciation Amount**).

(A) The **Participation Percentage** will be determined for the relevant Offering and communicated to Canadian Participants prior to finalization of their subscriptions.

(B) The **Average Increase** will be determined on the basis of a weekly average during the entire Lock-Up Period. In the event a closing price is less than the Reference Price, the Reference Price will be utilized.

(i) If, at the end of the Lock-Up Period, the market value of the Shares held in the relevant Compartment is less than 100% of the Employee Contributions, the Bank will, pursuant to the terms and conditions of a guarantee contained in the Swap Agreement, make a contribution to the relevant Compartment to make up such shortfall.

(j) At the end of the relevant Lock-Up Period, the Swap Agreement will terminate after the final swap payments. A Canadian Participant may then request the redemption of his or her Units in consideration for cash or Shares with a value representing:

(i) the Canadian Participant's Employee Contribution; and

(ii) the Canadian Participant's portion of the Appreciation Amount, if any

(the **Redemption Formula**).

(k) Alternatively, the Canadian Participant may request the transfer of his or her investment to another FCPE or a compartment of an FCPE established under PEG (**Transfer Fund**) at the end of the Lock-Up Period.

(l) If a Canadian Participant does not request the redemption of his or her Units in the relevant Compartment at the end of the Lock-Up Period (or their transfer to a Transfer Fund), his or her investment will be transferred to the relevant Transfer Fund as determined by the supervisory board of the FCPE and subject to the approval of the French AMF.

(m) Units of the Transfer Fund (**Transfer Fund Units**) will be issued to Canadian Participants in recognition of the assets transferred to the Transfer Fund. Canadian Participants may request the redemption of the Transfer Fund Units whenever they wish. Once a Canadian Participant becomes a unitholder of the Transfer Fund, he or she will be able to request the redemption of Transfer Fund Units at any time in consideration of the underlying Shares or a cash payment equal to the then market value of the Shares held by the Transfer Fund. However, following a transfer to the Transfer Fund, the Employee Contribution and the Appreciation Amount will not be covered by the Swap Agreement (including the Bank's guarantee contained therein).

(n) Pursuant to the terms of the guarantee contained in the Swap Agreement, a Canadian Participant will be entitled to receive 100% of his or her Employee Contribution (in Euros) at the end of the Lock-Up Period or in the event of an Early Redemption. The Management Company is permitted to cancel the Swap Agreement (which will have the effect of cancelling the guarantee) in certain strictly defined conditions where it is in the best interests of the unitholders. Under no circumstances will a Canadian Participant be responsible to contribute an amount greater than his or her Employee Contribution.

(o) In the event of an Early Redemption, a Canadian Participant may request the redemption of Units from the relevant Compartment. The value of the Units will be calculated in accordance with the Redemption Formula. The measurement of the increase, if any, from the Reference Price will be carried out in accordance with similar rules to those applied to redemption at the end of the Lock-up Period, but it will be measured using values of the Shares at the time of the Early Redemption instead.

11. For Canadian federal income tax purposes, a Canadian Participant should be deemed to receive all dividends paid on the Shares financed by either the Employee Contribution or the Bank Contribution at the time such dividends are paid to the relevant Compartment, notwithstanding the actual non-receipt of the dividends by the Canadian Participants.

12. The declaration of dividends on the Shares (in the ordinary course or otherwise) is strictly decided by the shareholders of the Filer on the proposition of the management board. The Filer has not made any commitment to the Bank as to any minimum payment of dividends during the term of the Lock-Up Period.

13. To respond to the fact that, at the time of the initial investment decision relating to participation in an Employee Offering, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer or its Local Related Entities are prepared to indemnify each Canadian Participant for all tax costs to the Canadian Participants associated with the payment of dividends in excess of a specified amount of Euros per calendar year per Share during the Lock-Up Period such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to determine his or her maximum tax liability in connection with dividends received by the relevant Compartment on his or her behalf under an Employee Offering.

14. At the time the relevant Compartment's obligations under the Swap Agreement are settled, the Canadian Participant will realize a capital gain (or capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the relevant Compartment, on behalf of the Canadian Participant, from the Bank exceed (or are less than) amounts paid by the Compartment, on behalf of the Canadian Participant, to the Bank. Any dividend amounts paid to the Bank under the Swap Agreement will serve to reduce the amount of any capital gain (or increase the amount of any capital loss) that the Canadian Participant would have realized. Capital losses (gains) realized by a Canadian Participant may generally be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant on a disposition of the Shares, in accordance with the rules and conditions under the *Income Tax Act* (Canada) or comparable provincial legislation (as applicable).

15. Under French law, an FCPE is a limited liability entity. The portfolio of the Compartment will consist almost entirely of Shares as well as the rights and associated obligations under the Swap Agreement. The Compartment may also hold cash or cash equivalents pending investments in Shares and for the purposes of facilitating Unit redemptions.

16. Any dividends paid on the Shares held in the Transfer Fund will be contributed to the Transfer Fund and used to purchase additional Shares on the stock market. To reflect this reinvestment, either new Transfer Fund Units (or fractions thereof) will be issued to Canadian Participants or no additional Transfer Fund Units will be issued and the net asset value of the existing Transfer Fund Units will be increased.

17. The portfolio of the Transfer Fund will consist almost entirely of Shares, and may also include, from time to time, cash in respect of dividends paid on the Shares which will be reinvested in additional Shares as well as cash or cash equivalents held for the purpose of investing in the Shares and redeeming Transfer Fund Units.

18. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF as an investment manager and complies with the rules of the French AMF. The Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.

19. The Management Company's portfolio management activities in connection with an Employee Offering and the Compartment are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, investing available cash in cash equivalents, and such activities as may be necessary to give effect to the Swap Agreement. The Management Company's portfolio management activities in connection with the Transfer Fund will be limited to purchasing Shares from the Filer using Canadian Participants' entitlement under an Employee Offering at the end of the Lock-Up Period (i.e. a Canadian Participant's Employee Contribution plus his or her portion of the Appreciation Amount, if any, based on the Redemption Formula), selling Shares held by the Transfer Fund as necessary in order to fund redemption requests, and investing available cash in cash equivalents.

20. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents in respect of the relevant Compartment and the Transfer Fund. The Management Company's activities will not affect the value of the Shares.

21. None of the entities forming part of the Vivendi Group, the Funds or the Management Company, or any of their directors, officers, employees, agents or representatives will provide investment advice to the Canadian Employees with respect to an investment in the Shares or the Units.

22. None of the entities forming part of the Vivendi Group, the Funds or the Management Company is currently in default of securities legislation of any jurisdiction of Canada.

23. Shares issued under an Employee Offering will be deposited in the relevant Compartment's accounts or the Transfer Fund's accounts, as the case may be, with Société Générale (the **Depositary**), a large French commercial bank subject to French banking legislation.

24. Participation in an Employee Offering is voluntary, and Canadian Employees will not be induced to participate in an Employee Offering by expectation of employment or continued employment.

25. The total amount that may be invested by a Canadian Participant in an Employee Offering cannot exceed 25% of his or her gross annual compensation (the calculation of the 25% investment limit takes into account the Bank Contribution).

26. The Shares and the Units are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares or the Units so listed.

27. The Filer will retain a securities dealer registered as a broker/investment dealer (the **Registrant**) under the securities legislation of Ontario to provide advisory services to Canadian Employees resident in Ontario who express an interest in an Employee Offering and to make a determination, in accordance with industry practices, as to whether an investment in an Employee Offering is suitable for each such Canadian Employee based on his or her particular financial circumstances.

28. Canadian Employees will receive an information package in the French or English language, according to their preference, which will include a description of the terms of the relevant Employee Offering and a description of Canadian income tax consequences of subscribing for and holding the Units and requesting the redemption of such Units at the end of the Lock-Up Period. Canadian Participants will have access to the Filer's *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the regulations of the relevant Compartment and Fund. The Canadian Employees will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of Shares. Canadian Participants will receive an initial statement of their holdings under the Employee Offering together with an updated statement at least once per year.

29. For the 2017 Employee Offering, there were approximately 770 Qualifying Employees resident in Canada, with the greatest number residing in the Province of Québec (approximately 500), representing less than 3.3% of the number of employees in the Vivendi Group worldwide eligible to participate in the 2017 Employee Offering.

Decision

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

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

(a) for the 2017 Employee Offering provided that:

(i) the prospectus requirement will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this decision, unless the following conditions are met:

(1) the issuer of the security

(A) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

(B) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

(2) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

(A) did not own directly or indirectly more than 10% of the outstanding securities of the class or series, and

(B) did not represent in number more than 10% of the total number of owners directly or indirectly of securities of the class or series;

(3) the first trade is made

(A) through an exchange, or a market, outside of Canada, or

(B) to a person or company outside of Canada; and

(4) in Québec, the required fees are paid in accordance with section 271. 6(1.1) of the *Securities Regulations* (Québec); and

(b) for any Subsequent Employee Offering under this decision completed within five years from the date of this decision, provided that, (i) the representations other than those in paragraphs 3 and 29 remain true and correct in respect of that Subsequent Employee Offering, and (ii) the conditions set out in paragraph (a) above are satisfied as of the date of any distribution of a security under such Subsequent Employee Offering (varied such that any references therein to the 2017 Compartment and the 2017 Employee Offering are read as references to the relevant Compartment and the Subsequent Employee Offering, respectively).

"Hugo Lacroix"
Directeur principal des fonds d'investissement

2.1.7 Aston Hill Canadian Total Return Fund et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund merger – approval required because merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – a reasonable person may not consider the Terminating Fund and Continuing Fund to have substantially similar investment objectives – securityholders of Terminating Fund provided with timely disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b), 5.5(3), 5.6, 5.7.

May 10, 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
ASTON HILL CANADIAN TOTAL RETURN FUND
(the Terminating Fund)

AND

ASTON HILL TOTAL RETURN FUND
(the Continuing Fund, and together with the
Terminating Fund, the Funds)

AND

LOGiQ ASSET MANAGEMENT LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval (the **Approval Sought**) under paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**) of the proposed merger of the Terminating Fund into the Continuing Fund (the **Merger**).

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

(i) the Ontario Securities Commission is the principal regulator (**Principal Regulator**) for this application; and

(ii) 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 (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

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

Representations

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

The Filer

1. The head office of the Filer is located in Toronto, Ontario. The Filer is the investment fund manager and trustee of each of the Funds.

2. The Filer is registered as an exempt market dealer and portfolio manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Quebec and as an investment fund manager in Newfoundland and Labrador, Ontario, and Quebec.

The Funds

3. Each of the Funds is a reporting issuer in each of the jurisdictions of Canada.

4. Neither the Filer nor the Funds is in default of securities legislation in any jurisdiction of Canada.

5. Securities of each of the Funds are currently qualified for sale by a simplified prospectus, annual information form and fund facts dated May 12, 2016, as amended, which have been filed and receipted in each of the jurisdictions of Canada.

6. Other than circumstances in which a securities regulatory authority has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices set out in NI 81-102.

7. Each of the Funds is an open-end mutual fund operating under the laws of Canada.

8. The Terminating Fund offers series A, TA6, UA, F, TF6, UF and I units, and the previously offered Y and Z units. The Fund's investment objective is to seek to provide long-term returns by investing in a portfolio consisting primarily of Canadian equity securities.

9. The Continuing Fund offers series A, TA6, UA, F, TF6, UF, and I units. The Continuing Fund is authorized to issue an unlimited number of units of each such series.

10. The Continuing Fund's investment objective is to seek to achieve consistent returns that are not highly correlated with the Canadian equity markets. The Continuing Fund invests primarily in a diversified portfolio of equity securities of North American issuers and, from time to time, will take short positions in such securities.

11. The Continuing Fund's net asset value as at December 31, 2016 was $ 44,238,519. The Terminating Fund's net asset value as at December 31, 2016 was $ 5,731,639.

12. Following the Merger, the Continuing Fund will be renamed LogiQ Total Return Fund.

The Merger

13. The unitholders of the Terminating Fund (the **Unitholders**) approved the Merger at the adjourned special meeting held on May 4, 2017 and, subject to receipt of the Approval Sought, the Filer currently expects to implement the Merger on or about May 11, 2017 (the **Effective Date**).

14. Pursuant to the Merger, Unitholders will, on the Effective Date, receive units of such series of the Continuing Fund equivalent to the series of units held by the Unitholder in the Terminating Fund.

15. There will be no merger, and regulatory approval is not required, in respect of Series Y and Series Z units of the Terminating Fund previously offered by the Terminating Fund and referred to in the Circular (defined below), as there will not be any Unitholders holding such units as at the Effective Date.

16. The Filer examined its line-up of available funds and selected the Continuing Fund as the particular fund to merge the Terminating Fund into because it has a broader investment objective than the Terminating Fund and its investments are not limited primarily to Canadian equities (as in the case of the Terminating Fund).

17. The broader investment mandate of the Continuing Fund provides it with a greater ability than the Terminating Fund to seek growth opportunities and reduce volatility in the following ways: (i) the Continuing Fund has greater flexibility to invest as it is not limited to one North American market; (ii) the ability to invest primarily outside of Canada gives the Continuing Fund greater opportunity to invest in a wider range of large-cap issuers; and (iii) the ability to short North American equities allows the portfolio adviser to hedge exposures and reduce correlation to the Canadian markets to seek consistent risk-adjusted returns.

18. The Terminating Fund filed a press release and a material change report in respect of the proposed Merger on SEDAR on March 15, 2017.

19. Pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**), on March 28, 2017, the Funds' Independent Review Committee (**IRC**) provided a positive recommendation for the Merger, after determining that in the IRC's opinion, having reviewed the Merger as a potential conflict of interest, the Merger achieves a fair and reasonable result for the Funds.

20. Regulatory approval of the Merger is required because the Merger does not satisfy all of the criteria for preapproved reorganizations and transfers as set out in section 5.6 of NI 81-102, namely because a reasonable person may not consider the fundamental investment objectives of the Terminating Fund and the Continuing Fund to be "substantially similar". The Merger will otherwise comply with all the other criteria for pre-approved organizations and transfers set out in section 5.6 of NI 81-102.

21. The Filer has determined that the Merger will not be a material change for the Continuing Fund.

22. A notice of the meeting, joint management information circular (the **Circular**) and proxies in connection with the special meeting were mailed to Unitholders on April 10, 2017 and filed via SEDAR.

23. The Circular of the Terminating Fund includes a comparison describing the similarities and differences between the Terminating Fund and the Continuing Fund, and includes information regarding fees, investment objectives, the manager, the portfolio advisor, the purchase options, the distribution policies and discusses the income tax considerations applicable to the Merger. Accordingly, Unitholders will have had an opportunity to consider this information prior to voting on the Merger.

24. A summary of the IRC's recommendation has been included in the Circular sent to Unitholders as required by section 5.1(2) of NI 81-107.

25. The Funds will not bear any of the costs and expenses associated with the Merger. The Filer will pay for the costs of the Merger. These costs

consist mainly of legal, proxy solicitation, printing, mailing and regulatory fees, as well as the costs of implementing the Merger, including any brokerage fees associated with (i) liquidating a portion of the Terminating Fund's portfolio, if necessary, and (ii) investing the resulting cash transferred to the Continuing Fund.

26. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund.

27. The net asset value of the units of a series of the Continuing Fund received by a Unitholder pursuant to the Merger will be equal to the net asset value per series of units of the Terminating Fund held by such Unitholder on the business day prior to the effective date of the Merger.

28. It is not expected that Unitholders will experience any adverse tax consequences as a result of the Merger or any pre-Merger liquidations, if any. The Filer is of the view that almost all of the portfolio assets of the Terminating Fund can be transferred to the Continuing Fund. Where a portion of the portfolio is required to be disposed of for smaller positions, the Filer expects that the Terminating Fund has sufficient tax loss carry-forwards to cover the amount of the gain generated from these sales.

29. The fees of the applicable series of the Continuing Fund which Unitholders will receive are the same as the fees of the applicable series of the Terminating Fund.

30. No sales charges will be payable by Unitholders in connection with the Merger.

31. The valuation procedures for the Funds are substantially similar.

32. Unitholders will have the same purchase option and deferred sales charge schedule in the Continuing Fund as in the Terminating Fund. Unitholders will also have the same pre-authorized purchase chequing plan available to them in the Continuing Fund as was available in the Terminating Fund.

33. Unitholders will have the same distribution arrangements available in the Continuing Fund as was available in the Terminating Fund, including that investors who have elected to receive cash distributions in the Terminating Fund will receive cash distributions in the Continuing Fund.

34. Unitholders will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day immediately before the effective date of the Merger, subject to the standard redemption charges as set out in the Terminating Fund's simplified prospectus.

35. The units of the Continuing Fund are redeemable daily at a price based on the net asset value per unit.

Procedure for the Merger

36. For the Merger, units of the Terminating Fund will be exchanged for units of the same series of the Continuing Fund at an exchange ratio (the **Exchange Ratio** in respect of a series of units) calculated based on the relative net asset values of each series of units of the Terminating Fund and the Continuing Fund as at the close of business on the business day immediately prior to the Effective Date. If the Approval Sought is obtained, the following events will occur in order to give effect to the Merger:

    a. Prior to the Merger, the Terminating Fund and the Continuing Fund will distribute any net income and net realized capital gains for its current taxation year to the extent necessary to eliminate its liability for non-refundable income tax.

    b. The Exchange Ratio in respect of each series of units of the Terminating Fund will be calculated.

    c. Prior to midnight on the Effective Date, the Terminating Fund will transfer all of its assets to the Continuing Fund in consideration for an amount equal to the fair market value of its assets transferred to the Continuing Fund on the Effective Date (a **Purchase Price**).

    d. The Continuing Fund will satisfy the Purchase Price by assuming the Terminating Fund's liabilities and by issuing to the Terminating Fund that number of units of each applicable series of the Continuing Fund equal to the number of such units then outstanding multiplied by the applicable Exchange Ratio.

    e. Immediately thereafter, all of the units of the Terminating Fund will be redeemed and the redemption price therefor will be paid by delivering the applicable number of units of the applicable series of the Continuing Fund to Unitholders of the Terminating Fund based on the number of such units of the Terminating Fund then held.

    f. The Terminating Fund and the Continuing Fund will file a joint tax election in respect of the transfer to the Continuing

Fund of all of the assets of the Terminating Fund.

g. The Terminating Fund will be wound-up within 30 days following the Merger.

Benefits of the Merger

37. The Filer believes that the Merger will be beneficial to Unitholders of the Funds for the following reasons:

a. there is little opportunity to reduce the fixed costs individually associated with, and currently paid by, the Terminating Fund and the Continuing Fund, including expenses such as audit, legal, trustee, custody, transfer agency, independent review committee, filing and fund accounting fees. The fixed costs associated with the Continuing Fund after the Merger will be less than the total fixed costs currently paid by the Terminating Fund and the Continuing Fund and will be spread over a larger number of units;

b. the Continuing Fund is expected to have a larger asset base which will allow for greater portfolio diversification and a smaller proportion of assets set aside in the form of cash to fund redemptions. This may lead to the reduction of risk and increased returns;

c. the Continuing Fund had a lower MER (before waivers and absorptions) of 2.87% for the Series A units and 1.78% for the Series F units for the year-ended December 31, 2016. Comparatively, the Terminating Fund had a MER (before waivers and absorptions) of 5.13% for the Series A units and 4.10% for the Series F units for the year ended December 31, 2016;

d. the Merger allows Unitholders of the Terminating Fund to continue their investment in a fund with North-American based investment objectives; and

e. the Manager will pay the costs and expenses of the Merger, therefore the Merger will save the Terminating Fund the costs of a dissolution and wind-up, which would otherwise be borne by the Terminating Fund.

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 Approval Sought is granted.

"Vera Nunes"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.2 Orders

2.2.1 Michael Patrick Lathigee et al. – ss. 127(1), 127(10)

**IN THE MATTER OF
MICHAEL PATRICK LATHIGEE,
EARLE DOUGLAS PASQUILL,
FIC REAL ESTATE PROJECTS LTD.,
FIC FORECLOSURE FUND LTD. and
WBIC CANADA LTD**

D. Grant Vingoe, Chair of the Panel

May 16, 2017

**ORDER
(Subsection 127(1) and (10) of
the Securities Act, RSO 1990, c S.5)**

WHEREAS on the Ontario Securities Commission held a hearing in writing, on the application of Staff of the Commission (**Staff**) for an order imposing sanctions pursuant to subsections 127(1) and 127(10) of the Securities Act, RSO 1990, c S.5 (the **Act**);

ON READING the findings of the British Columbia Securities Commission (the **BCSC**) dated July 8, 2014, and the decision of the BCSC dated March 16, 2015 (the **BCSC Order**), in the matter of *Michael Patrick Lathigee and Earle Douglas Pasquill, FIC Real Estate Projects Ltd., FIC Foreclosure Fund Ltd., and WBIC Canada Ltd.* and on reading the materials filed by the representatives for Staff and Michael Patrick Lathigee (**Lathigee**), no one appearing for FIC Real Estate Projects Ltd., FIC Foreclosure Fund Ltd., and WBIC Canada Ltd. (the **Corporate Respondents**), and Earle Douglas Pasquill (**Pasquill**), although properly served;

IT IS ORDERED:

1. against Mr. Lathigee that:

    a. trading in any securities or derivatives by Mr. Lathigee shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act, except trades that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

    b. the acquisition of any securities by Mr. Lathigee is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except acquisitions that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

    c. any exemptions contained in Ontario securities law do not apply to Mr. Lathigee permanently, pursuant to paragraph 3 of subsection 127(1) of the Act, except for those exemptions necessary for him to trade or acquire securities for his own account;

    d. Mr. Lathigee resign any position he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, except that he may act as a director or officer of one issuer whose securities are solely owned by him or by him and his immediate family members (being: Mr. Lathigee's spouse, parent, child, sibling, mother- or father-in-law, son- or daughter-inlaw, or brother- or sister-in-law);

    e. Mr. Lathigee is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, except that he may act as a director or officer of one issuer whose securities are solely owned by him or by him and his immediate family members (being: Mr. Lathigee's spouse, parent, child, sibling, mother- or father-in-law, son- or daughter-in-law, or brother- or sister-in-law); and

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

2. against Mr. Pasquill that:

    a. trading in any securities or derivatives by Mr. Pasquill shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act, except trades that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

    b. the acquisition of any securities by Mr. Pasquill is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except acquisitions that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

c. any exemptions contained in Ontario securities law do not apply to Mr. Pasquill permanently, pursuant to paragraph 3 of subsection 127(1) of the Act, except for those exemptions necessary for him to trade or acquire securities for his own account;

d. Mr. Pasquill resign any position he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;

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

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

3. against each of the Corporate Respondents that:

a. trading in any securities by the Corporate Respondents shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

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

c. the acquisition of any securities by the Corporate Respondents is prohibited permanently, pursuant to paragraph 2.1 of the Act; and

d. any exemptions contained in Ontario securities law do not apply to the Corporate Respondents permanently, pursuant to paragraph 3 of subsection 127(1) of the Act.

"D. Grant Vingoe"

2.2.2 Eda Marie Agueci et al.

IN THE MATTER OF
EDA MARIE AGUECI, DENNIS WING, SANTO IACONO, JOSEPHINE RAPONI, KIMBERLEY STEPHANY, HENRY FIORILLO, GIUSEPPE (JOSEPH) FIORINI, JOHN SERPA, IAN TELFER, JACOB GORNITZKI and POLLEN SERVICES LIMITED

AnneMarie Ryan, Chair of the Panel
Deborah Leckman, Commissioner
Mark Sandler, Commissioner

May 16, 2017

ORDER

WHEREAS on May 3, 2017, Henry Fiorillo ("**Fiorillo**") filed an application record requesting a variation of the Order issued by the Ontario Securities Commission on June 24, 2015, under sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5, and requesting that the application be heard in writing pursuant to Rule 15.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4168 (the "**Rules**");

ON READING the application record, including the Affidavit of Fiorillo sworn March 10, 2017 and the Consent executed on behalf of all parties except for Pollen Services Limited, and the letter from Fiorillo's counsel dated May 3, 2017;

IT IS ORDERED THAT:

1. Fiorillo's application shall be heard in writing pursuant to Rules 11.4(2)(c) and 15.5 of the Rules;

2. The requirement in Rule 15.5 of the Rules that all parties consent to a hearing in writing is hereby waived pursuant to Rule 1.4(3) of the Rules;

3. Service on Pollen Services Limited of Fiorillo's application record, the Notice of Hearing issued May 12, 2017, this Order, and any other future documents requiring service for the purposes of Fiorillo's application, is hereby waived pursuant to Rule 1.5.3(3) of the Rules;

4. By no later than May 23, 2017, Fiorillo shall either:

a. if Fiorillo decides to file any further application materials, file and serve those materials; or

b. advise the registrar of the Commission in writing that no additional moving application materials will be forthcoming;

5. The responding parties shall serve and file their memoranda of fact and law and all other

responding application materials, if any, by no later than May 30, 2017.

"AnneMarie Ryan"

"Deborah Leckman"

"Mark Sandler"

2.2.3 TCM Investments Ltd. carrying on business as OptionRally et al. – ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
TCM INVESTMENTS LTD.
carrying on business as OPTIONRALLY,
LFG INVESTMENTS LTD.
carrying on business as www.optionrally.com,
AD PARTNERS SOLUTIONS LTD., and
INTERCAPITAL SM LTD.

TEMPORARY ORDER
(Subsections 127(1) & 127(5))

WHEREAS:

1. it appears to the Ontario Securities Commission (the "Commission") that:

    (a) TCM Investments Ltd. carrying on business as OptionRally ("OptionRally") is a company which was previously authorized and regulated by the International Financial Services Commission of Belize;

    (b) LFG Investments Ltd. ("LFG Investments") carries on business as www.optionrally.com;

    (c) AD Partners Solutions Ltd. ("AD Partners") is a company incorporated in the United Arab Emirates;

    (d) InterCapital SM Ltd. ("InterCapital") is a company incorporated in the United Kingdom;

    (e) OptionRally, LFG Investments, AD Partners, and InterCapital may have traded securities and advised without registration and without an exemption to the registration requirement contrary to section 25 of the Securities Act, R.S.O. 1990, c. S.5 (the "Act");

    (f) OptionRally, LFG Investments, AD Partners, and InterCapital may have traded securities without a prospectus having been filed and receipted by the Director contrary to section 53 of the Act;

    (g) OptionRally, LFG Investments, AD Partners and InterCapital may have, directly or indirectly, engaged or participated in any act, practice or course of conduct relating to securities that the companies knew or reasonably ought to have

known, perpetrated a fraud on any person or company contrary to subsection 126.1(1)(b) of the Act;

2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;

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

4. by Authorization Order made on March 24, 2017, pursuant to subsection 3.5(3) of the Act, the Commission authorized each of Maureen Jensen, Monica Kowal, D. Grant Vingoe, Philip Anisman, Robert P. Hutchison, Janet Leiper, Timothy Moseley and Mark J. Sandler acting alone, to exercise the powers of the Commission to make orders under section 127 of the Act;

IT IS ORDERED pursuant to section 127 of the Act that:

1. pursuant to clause 2 of subsection 127(1) of the Act, all trading in any securities by OptionRally, LFG Investments, AD Partners and InterCapital shall cease;

2. pursuant to clause 3 of subsection 127(1) of the Act, that the exemptions contained in Ontario securities law do not apply to OptionRally, LFG Investments, AD Partners and InterCapital; and

3. pursuant to subsection 127(6) of the Act, this order shall take effect immediately and shall expire on the 15th day after its making unless extended by order of the Commission.

DATED at Toronto this 10th day of May, 2017.

"D. Grant Vingoe"

2.2.4 Global 8 Environmental Technologies, Inc. et al.

IN THE MATTER OF
GLOBAL 8 ENVIRONMENTAL TECHNOLOGIES, INC., HALO PROPERTY SERVICES INC., CANADIAN ALTERNATIVE RESOURCES INC., RENÉ JOSEPH BRANCONNIER and CHAD DELBERT BURBACK

Mark J. Sandler, Chair of the Panel

May 17, 2017

ORDER

THIS APPLICATION, made by Staff of the Commission, to proceed with the matter by written hearing, was heard on May 17, 2017, at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario.

ON HEARING the submissions of the representative for Staff of the Commission, appearing in person and a representative of Branconnier, who communicated through Staff; no one appearing for Global 8 Environmental Technologies, Inc., Halo Property Services Inc., Canadian Alternative Resources Inc. and Burback, although properly served, as appears from the Affidavit of Service of Lee Crann, sworn May 8, 2017;

IT IS ORDERED THAT:

1. Staff's application is granted;

2. Staff's materials shall be served and filed no later than May 29, 2017;

3. The respondents' materials shall be served and filed no later than July 5, 2017; and

4. Staff's reply materials, if any, shall be served and filed no later than July 26, 2017.

"Mark J. Sandler"

2.2.5 Frontier Rare Earths Limited

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under securities legislation – issuer in default of its obligation to file and deliver its annual financial statements and related management's discussion and analysis – relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

May 16, 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
FRONTIER RARE EARTHS LIMITED
(the Filer)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

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

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

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's head office is located in Luxembourg, Luxembourg.

2. The Filer is a reporting issuer in all of the jurisdictions of Canada with the exception of the Province of Quebec.

3. A special meeting of the shareholders of the Filer was held on April 24, 2017, at which a special resolution was passed approving the privatization of the Filer by way of consolidation of ordinary shares of the Filer (**Shares**) on the basis of one post-Consolidation Share for every 9,000,000 pre-Consolidation Shares (the **Consolidation**). Full details of the Consolidation are contained in the management information circular of the Filer dated March 15, 2017.

4. The Consolidation was completed and is effective as of April 25, 2017.

5. After completion of the Consolidation, the Filer has three remaining shareholders holding one Share each for the benefit of a single beneficial shareholder.

6. The Filer's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and by fewer than 51 securityholders in total worldwide.

7. The Shares were previously quoted on the U.S. over-the-counter markets (the **OTC Markets**), however as there is a single beneficial shareholder the Shares do not have any trading volume and will no longer be traded on the OTC Markets.

8. 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.

9. The Filer has no current intention to seek public financing by way of an offering of securities in any jurisdiction in Canada.

10. The Filer is not in default of securities legislation in any jurisdiction, except for its failure to file its

annual financial statements and annual management's discussion and analysis for the period ended December 31, 2016 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related annual certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on May 1, 2017, after the Filer completed the Consolidation.

11. The Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as the Filer's Shares are currently quoted on the OTC Markets (with zero trading volume) and as of May 2, 2017 the Filer was in default for failing to file the Filings.

12. 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.

13. Upon the granting of the Order Sought, the Filer will not be a reporting issuer in any jurisdiction in Canada

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.

"Garnet Fenn"
Commissioner
Ontario Securities Commission

"Mark Sandler"
Commissioner
Ontario Securities Commission

2.2.6 Niagara Ventures Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under securities legislation – issuer in default of its obligation to file and deliver its interim financial statements and related management's discussion and analysis – relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.

May 19, 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
NIAGARA VENTURES CORPORATION
(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 was formed under, and is governed by, the *Business Corporations Act* (Ontario) (the **OBCA**).

2. The Filer's head office and registered office is located at 406 - 7 St. Thomas Street, Toronto, Ontario, M5S 2B7.

3. The Filer is a reporting issuer under the laws of each of Ontario, British Columbia and Alberta.

4. At a special meeting of the shareholders of the Filer held on April 19, 2017, requisite shareholder approval was received in connection with a "going-private" transaction by way of a consolidation of the issued and outstanding common shares of the Filer, on the basis of one post-consolidation common share for every 2,934,311 pre-consolidation common shares (the **Consolidation**).

5. On April 19, 2017 the Filer filed articles of amendment pursuant to the OBCA to effect the Consolidation and, accordingly, the issued and outstanding common shares of the Filer were consolidated on the basis of one post-consolidation common share for every 2,934,311 pre-consolidation common shares. Fractional common shares were not issued and each former holder of a fractional common share became entitled to receive $0.015 in cash for each pre-consolidation common share held immediately prior to the Consolidation.

6. As a result of the Consolidation, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by only one securityholder.

7. Following the Filer's application to the TSX Venture Exchange (the **TSXV**) on April 19, 2017, the Filer's common shares were delisted from the TSXV effective as of the close of business on April 24, 2017. Accordingly, 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.

8. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.

9. The Filer has no current intention to seek public financing by way of an offering of securities in any jurisdiction in Canada.

10. The Filer is not in default of securities legislation in any jurisdiction, except for its failure to file its interim financial statements and interim management's discussion and analysis for the period ended February 28, 2017 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related interim certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on May 1, 2017 following the Consolidation.

11. The Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for failure to file the Filings.

12. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in in all of the jurisdictions in Canada in which it is a reporting issuer.

13. Upon granting of the Order Sought, the Filer will not be a reporting issuer in any jurisdiction in Canada.

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.

"Tim Moseley"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.7 Niagara Ventures Corporation – s. 1(6) of the OBCA

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
NIAGARA VENTURES CORPORATION
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant's head and registered office is located at 406 - 7 St. Thomas Street, Toronto, Ontario, M5S 2B7.

2. The Applicant is incorporated under the OBCA and is an "offering corporation" as defined therein.

3. The Applicant has an authorized capital consisting of an unlimited number of common shares (the **Common Shares**).

4. At a special meeting of the shareholders of the Applicant held on April 19, 2017, requisite shareholder approval was received in connection with a "going-private" transaction by way of a consolidation of the issued and outstanding Common Shares of the Applicant, on the basis of one post-consolidation Common Share for every 2,934,311 pre-consolidation Common Shares (the **Consolidation**).

5. As a result of the Consolidation, the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by only one securityholder.

6. The Common Shares of the Applicant were delisted from the TSX Venture Exchange effective as of the close of trading on April 24, 2017.

7. No securities of the Applicant, including debt securities, are traded 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.

8. The Applicant has no intention to seek public financing by way of an offering of securities.

9. The Applicant is a reporting issuer in Ontario, British Columbia and Alberta (the **Jurisdictions**).

10. The Applicant has applied for an order that it is not a reporting issuer in the Jurisdictions under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (the **Reporting Issuer Relief**).

11. The Filer is not in default of securities legislation in any jurisdiction, except for its failure to file its interim financial statements and interim management's discussion and analysis for the period ended February 28, 2017 as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related interim certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**), all of which became due on May 1, 2017 following the Consolidation.

12. Upon the grant of the Reporting Issuer Relief, the Applicant will not be a reporting issuer in any jurisdiction of Canada.

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

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

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

"Tim Moseley"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.2.8 Exxon Mobil Corporation

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under applicable securities laws – issuer has *de minimis* market presence in Canada – residents of Canada do not comprise more than 2% of the total number of securityholders of the issuer worldwide – residents of Canada do not own more than 2% of each class or series of outstanding securities of the issuer but for a few series at the date of issuance and one series at the time of the order.

Applicable Legislative Provisions

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

Citation: Re Exxon Mobil Corporation, 2017 ABASC 89

May 23, 2017

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

AND

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

AND

IN THE MATTER OF
EXXON MOBIL CORPORATION
(the Filer)

ORDER

Background

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

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the Province of British Columbia; and

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

Interpretation

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

Representations

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

1. The Filer is a corporation governed by the laws of the State of New Jersey, with its head office in Irving, Texas. The Alberta Securities Commission was selected as principal regulator because the head office of Imperial Oil Limited (**Imperial Oil**), a subsidiary of the Filer, is in Calgary, Alberta.

2. The Filer is a reporting issuer in British Columbia, Alberta and Ontario (collectively, the **Reporting Jurisdictions**).

3. The Filer became a reporting issuer in the Reporting Jurisdictions upon completion of a plan of arrangement under Section 195 of the *Business Corporations Act* (Yukon) on February 22, 2017 (the **Arrangement**), pursuant to which the Filer acquired all of the issued and outstanding common shares of InterOil Corporation (**InterOil**). Prior to the closing of the Arrangement, the Filer was not a reporting issuer in any jurisdiction in Canada.

4. The Filer's authorized capital consists of 9,000,000,000 common shares (**Common Shares**) and 200,000,000 preferred shares, without par value (**Preferred Shares**). As of the date hereof, no Preferred Shares are outstanding.

5. The Filer has issued 20 series of notes under its U.S. shelf registration statement (collectively, the **Notes**). The Notes are not convertible or exchangeable into any other voting or equity securities of the Filer. Beneficial ownership of the Notes is held in book-entry form through Cede & Co., a nominee for The Depositary Trust Company, which is the sole registered holder of each series of Notes. All of the Notes were initially issued primarily in the United States to institutional investors, at which time the Filer was not a reporting issuer in Canada.

6. The Common Shares and the Notes are registered under the 1934 Act. The Common Shares are listed on the New York Stock Exchange (the **NYSE**) under the symbol "XOM".

7. The Filer is subject to and is in compliance with all requirements applicable to it imposed by the Securities and Exchange Commission (**SEC**), the 1933 Act, the 1934 Act, the United States *Sarbanes-Oxley Act of 2002* and the rules of the NYSE (collectively, the **US Rules**).

8. The Filer qualifies as an "SEC foreign issuer" under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) and as such relies on and complies with the exemptions from Canadian continuous disclosure requirements afforded to SEC foreign issuers under Part 4 of NI 71-102.

9. The Filer has made a good faith investigation to confirm the residency of the holders of its outstanding securities. The investigation included obtaining geographical surveys of beneficial holders of Common Shares and Notes from Broadridge Financial Solutions Inc. (**Broadridge**), a list of registered holders of Common Shares from Computershare Trust Company, N.A. and a breakdown of the residency of initial investors for each series of the Notes from J.P. Morgan Securities LLC. Based on this investigation, the Filer has concluded as set out below:

   (a) An aggregate of 69,992,940 Common Shares (representing approximately 1.689% of the total issued and outstanding Common Shares) are held by 65,794 holders resident in Canada representing approximately 2.01% of shareholders worldwide, upon factoring in the issuance of Common Shares to the shareholders of InterOil pursuant to the Arrangement.

   (b) There are 115 noteholders resident in Canada representing approximately 0.45% of noteholders worldwide. Together with the shareholders there are 65,909 securityholders resident in Canada which represents 2% of securityholders worldwide.

   (c) At the time of issuance, residents in Canada directly or indirectly beneficially owned more than 2%, but not more than 5.2%, of the aggregate principal amount of seven series of Notes, as outlined below. According to information obtained from Broadridge as of November 2016, the aggregate principal amount of each series of Notes, except one, held by residents in Canada was less than 2%, and the aggregate principal amount of the one series in excess of 2% was only 2.7%.

Series of Notes	Held by Residents in Canada at Issuance	Held by Residents in Canada as of November 2016
U.S.$1.25 billion aggregate principal amount of 1.708% notes due 2019	U.S.$34 million (~2.72%)	U.S.$8 million (1.0%)
U.S.$500 million aggregate principal amount of floating rate notes due 2019	U.S.$20 million (~4.00%)	U.S.$3 million (0.4%)

Series of Notes	Held by Residents in Canada at Issuance	Held by Residents in Canada as of November 2016
U.S.$1.5 billion aggregate principal amount of 1.912% notes due 2020	U.S.$45 million (~3.00%)	U.S.$13 million (1.0%)
U.S.$2.5 billion aggregate principal amount of 2.222% notes due 2021	U.S.$52 million (~2.06%)	U.S.$12 million (0.7%)
U.S.$1.15 billion aggregate principal amount of 2.397% of notes due 2022	U.S.$41 million (~3.52%)	U.S.$6 million (0.6%)
U.S.$1.0 billion aggregate principal amount of 3.176% notes due 2024	U.S.$50 million (~5.00%)	U.S.$2 million (0.3%)
U.S.$1.0 billion aggregate principal amount of 3.567% notes due 2045	U.S.$52 million (~5.20%)	U.S.$17 million (2.7%)

Based on the foregoing, the Filer meets all of the conditions in section 20 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*, except for paragraph 20(b)(i) as it relates to one series of Notes as of November 2016. The Notes were issued primarily to sophisticated institutional investors in the United States and at a time when the Filer was not a reporting issuer in any jurisdiction in Canada; accordingly, none of such purchasers in Canada purchased the Notes in reliance on the Filer being a reporting issuer in Canada.

10. No securities of the Filer are traded in Canada on any marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported, and the Filer has no present intention to list any securities of the Filer in Canada on any marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

11. In the 12 months before applying for this order, the Filer has not taken any steps that indicate there is a market for its securities in Canada, including conducting a prospectus offering in Canada, establishing or maintaining a listing on an exchange in Canada or having its securities traded on a marketplace or any other facility in Canada for bringing together buyers and sellers where trading data is publicly reported.

12. The Filer has provided advance notice to Canadian resident securityholders in a news release that it has applied for an order to cease to be a reporting issuer in Alberta, Ontario and British Columbia and, if the Order Sought is granted, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

13. The Filer hereby undertakes to each of the Decision Makers to concurrently deliver to its Canadian securityholders all disclosure the Filer would be required to deliver to U.S. resident securityholders under the US Rules.

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

Decision

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

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Denise Weeres”
Manager, Legal
Corporate Finance

2.3 Orders with Related Settlement Agreements

2.3.1 Jorge Neher – ss. 127, 127.1

IN THE MATTER OF
JORGE NEHER

Timothy Moseley, Commissioner and Chair of the Panel
Peter Currie, Commissioner
Robert Hutchison, Commissioner

May 16, 2017

ORDER
(Sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5)

THIS APPLICATION, made jointly by Staff of the Commission and Jorge Neher for approval of a settlement agreement dated May 12, 2017 (the "**Settlement Agreement**"), was heard on May 16, 2017 at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON READING the Statement of Allegations dated May 12, 2017, the Settlement Agreement and the application materials dated May 12, 2017, including the Joint Application Record for a Settlement Hearing, the Joint Book of Authorities, Staff's Submissions and Staff's Supplementary Book of Authorities, and on hearing the submissions of representatives for each of the parties, and on considering the Undertaking of the Respondent dated May 12, 2017, to make a voluntary payment to the Commission of $10,000;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by the Respondent shall cease for a period of eighteen months commencing on the date of this Order, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");

3. the acquisition of any securities by the Respondent is prohibited for a period of eighteen months commencing on the date of this Order, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

4. as an exception to the restriction on acquiring securities as provided in clause 3 above, the Respondent shall be permitted to acquire any shares of a reporting issuer that are offered to him in exchange for shares of Greenstone Mining Corp. ("**Greenstone**") that he currently owns, as part of a reverse takeover transaction involving Greenstone, but he may not sell the acquired shares during the eighteen-month period in which he is prohibited from trading in securities as provided in clause 2 above;

5. the Respondent shall be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act; and

6. the Respondent shall pay costs to the Commission in the amount of $20,000, pursuant to section 127.1 of the Act.

"Timothy Moseley"

"Peter Currie"

"Robert Hutchison"

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

AND

IN THE MATTER OF
JORGE NEHER

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. This matter concerns the failure by Jorge Neher ("Neher" or the "Respondent") to comply with important policies in place at his firm aimed at maintaining the integrity of capital markets by ensuring confidential, material information is safeguarded and that trading is appropriately restricted in order to prevent impropriety or the appearance of impropriety.

2. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing (the "Notice of Hearing") to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act"), it is in the public interest for the Commission to make certain orders against the Respondent in respect of the conduct described herein.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff of the Commission ("Staff") recommend settlement of the proceeding (the "Proceeding") against the Respondent commenced by the Notice of Hearing, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondent consents to the making of an order (the "Order") in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

4. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

A. BACKGROUND

5. In the relevant period of 2014-2015, Neher was a partner in the Bogota, Colombia office of Norton Rose Fulbright ("NRF"), a major international law firm.

6. Neher was the lead partner for a firm client, which was an Ontario reporting issuer at all material times.

B. DETAILED FACTS

NRF Policies

7. On October 29, 2014, Neher was sent an email that also went to all members of NRF attaching a copy of the newly-adopted Norton Rose Fulbright Global Practices Standards policy by email. The policy applied worldwide to all members of the firm, including partners. The policy included policies on trading in publicly-listed securities (the "Trading Policy"). The Bogota office had not previously been subject to a similar policy regarding trading in publicly-listed securities.

8. The Trading Policy notes that a fundamental principle of securities legislation is that everyone investing in securities should have equal access to information that may affect their decision to trade in securities. The Trading Policy also notes:

> Firm members, whether lawyers, agents or staff member, will undoubtedly become aware of material undisclosed information in the conduct of the firm's business, either concerning a client or concerning a public company with which a client is dealing. It is critical that firm members preserve and maintain the confidentiality of this material undisclosed information and do not disclose this information to any third parties, except in accordance with applicable securities laws…This policy is designed to assist in preventing any impropriety or the appearance of any impropriety regarding a firm member trading in securities of a public company.

9. Further, the Trading Policy sets out, among other obligations:

   (a) Firm members are required to report when they possess material, undisclosed information with respect to publicly-listed entities so that those entities could be added to the Black Book, a list of issuers for which trading of securities is prohibited; and

   (b) Pre-clearance is required prior to any purchase or sale of securities of a public company or related derivative.

10. Despite being sent the October 29, 2014 email, Neher failed in his obligations to read, understand and comply with the Trading Policy as set out below.

Prohibited Trading by Neher

11. After the Trading Policy had been sent to him, Neher failed to seek pre-clearance of trades in shares of the client, which were conducted through a trading account located in Toronto, as required by the Trading Policy. This included purchases of the client's securities while those purchases were expressly prohibited due to the client having been placed on NRF's Black Book list. Neher had no personal knowledge that the client had been placed on this list, although he would have known this had he followed the Trading Policy. Neher's trades were part of an investment strategy in shares of the client that he had pursued since April 2014, before the Trading Policy was adopted and sent to him.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

12. The Respondent acknowledges and admits that,

   (a) Policies like the Trading Policy are an important part of maintaining the integrity of capital markets by ensuring confidential, material information is safeguarded and that trading is appropriately restricted in order to prevent impropriety or the appearance of impropriety;

   (b) As a lawyer, he is in a position of trust and is subject to a high professional standard to avoid any appearance of conflicts of interest and any appearance of misuse of confidential information obtained in the course of the solicitor-client relationship. Neher should have taken reasonable steps to ensure that he was complying with NRF's policies before trading in publicly-listed securities of a client; and

   (c) Neher's conduct was contrary to the public interest as he failed to adhere to the high standard of conduct expected of him in the circumstances.

PART V – TERMS OF SETTLEMENT

13. The Respondent agrees to the terms of settlement set forth below.

14. The Respondent consents to the Order, pursuant to which it is ordered that:

   (a) this Settlement Agreement be approved;

   (b) trading in any securities or derivatives by the Respondent cease for a period of eighteen (18) months commencing on the date of the Order, pursuant to paragraph 2 of subsection 127(1) of the Act;

   (c) the acquisition of any securities by the Respondent be prohibited for a period of eighteen (18) months commencing on the date of the Order, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

   (d) as an exception to the restriction on acquiring securities as provided in sub-paragraph (c) above, the Respondent shall be permitted to acquire any shares of a reporting issuer that are offered to him in exchange for shares of Greenstone Mining Corp. ("Greenstone") which he currently owns, as part of a reverse takeover transaction involving Greenstone, but he may not sell them during the eighteen-month period in which he is prohibited from trading in securities as provided in sub-paragraph (b) above;

   (e) the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act; and

   (f) the Respondent pay costs in the amount of $20,000, pursuant to section 127.1 of the Act;

15. The Respondent consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 14(b)-(d). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

16. The Respondent acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

17. The Respondent has given an undertaking (the "Undertaking") to the Commission in the form attached as Schedule "B" to this Settlement Agreement, which includes an undertaking to make a voluntary payment to the Commission of $10,000 to be designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;

PART VI – FURTHER PROCEEDINGS

18. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Respondent under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any term in this Settlement Agreement or the Undertaking, in which case Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement or the Undertaking.

19. The Respondent acknowledges that, if the Commission approves this Settlement Agreement and the Respondent fails to comply with any term in it or the Undertaking, the Commission is entitled to bring any proceedings necessary.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

20. The parties will seek approval of this Settlement Agreement at a public hearing (the "Settlement Hearing") before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168.

21. The Respondent will attend the Settlement Hearing in person.

22. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

23. If the Commission approves this Settlement Agreement:

(a) the Respondent irrevocably waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

(b) neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

24. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

25. If the Commission does not make the Order:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent; and

(b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

26. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

27. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

28. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at the City of Bogota, Colombia, this 12th day of May, 2017.

"Carmina Cepeda"	*"Jorge Neher"*
Witness: (print name): Carmima Cepeda	Jorge Neher

DATED at Toronto, Ontario, this 12th day of May, 2017.

STAFF OF THE ONTARIO SECURITIES COMMISSION
By: *"Jeff Kehoe"*
Name: Jeff Kehoe
Title: Director, Enforcement Branch

SCHEDULE "A"

IN THE MATTER OF
JORGE NEHER

Timothy Moseley, Commissioner and Chair of the Panel
Peter Currie, Commissioner
Robert Hutchison, Commissioner

May ___, 2017

ORDER
(Sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5)

THIS APPLICATION, made jointly by Staff of the Commission and Jorge Neher for approval of a settlement agreement dated May __, 2017 (the "**Settlement Agreement**"), was heard on May ___, 2017 at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON READING the Statement of Allegations dated May __, 2017, and the Settlement Agreement, and on hearing the submissions of representatives for each of the parties, and on considering the Undertaking of the Respondent dated May __, 2017, to make a voluntary payment to the Commission of $10,000;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. trading in any securities or derivatives by the Respondent shall cease for a period of eighteen months commencing on the date of this Order, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");

3. the acquisition of any securities by the Respondent is prohibited for a period of eighteen months commencing on the date of this Order, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

4. as an exception to the restriction on acquiring securities as provided in clause 3 above, the Respondent shall be permitted to acquire any shares of a reporting issuer that are offered to him in exchange for shares of Greenstone Mining Corp. ("**Greenstone**") which he currently owns, as part of a reverse takeover transaction involving Greenstone, but he may not sell them during the eighteen-month period in which he is prohibited from trading in securities as provided in clause 2 above;

5. the Respondent shall be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act; and

6. the Respondent shall pay costs to the Commission in the amount of $20,000, pursuant to section 127.1 of the Act.

____
Timothy Moseley

____
Peter Currie

____
Robert Hutchison

SCHEDULE "B"

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

AND

**IN THE MATTER OF
JORGE NEHER**

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated May 12, 2017 (the "Settlement Agreement") between Jorge Neher (the "Respondent") and Staff ("Staff") of the Commission. All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. The Respondent undertakes to the Commission to:

   a. make a voluntary payment to the Commission of $10,000 to be designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act; and

   b. provide to Staff two certified cheques in the amount of $10,000 and $20,000, respectively, prior to the settlement hearing, which will be held by Staff in escrow pending the approval of the Settlement Agreement.

DATED at the City of Bogota, Colombia, this 12th day of May, 2017.

"Carmina Cepeda"	*"Jorge Neher"*
Witness: (print name): Carmima Cepeda	Jorge Neher

2.4 Rulings

2.4.1 Creditex Securities Corporation – s. 38 of the CFA

Headnote

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

Applicable Legislative Provisions

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

Instrument Cited

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

May 12, 2017

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

AND

IN THE MATTER OF
CREDITEX SECURITIES CORPORATION

RULING
(Section 38 of the CFA)

UPON the application (the **Application**) of Creditex Securities Corporation (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for:

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

(b) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client (as defined below) is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of trades in Exchange-Traded Futures on behalf of the Permitted Client pursuant to the above ruling (together with the Dealer Registration Relief, the "**Requested Relief**");

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

(i) **"CFTC"** means the United States Commodity Futures Trading Commission;

"dealer registration requirements in the CFA" means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22 of the CFA;

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

"FINRA" means the Financial Industry Regulatory Authority in the United States;

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

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

"OSA" means the *Securities Act* (Ontario);

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

"SEC" means the United States Securities and Exchange Commission;

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

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

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

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

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

1. The Applicant is a corporation incorporated under the laws of the state of Delaware. Its head office is located in New York, New York with other offices in Connecticut and Texas.

2. The Applicant is a wholly-owned indirect subsidiary of Intercontinental Exchange Inc. (**ICE**). ICE operates leading regulated exchanges, trading platforms and clearing houses serving global markets for agricultural, credit, currency, emissions, energy and equity index markets and is listed on the New York Stock Exchange under the symbol "ICE".

3. The Applicant relies on the international dealer exemption in section 8.18 of NI 31-103 in Ontario and therefore is not registered under the OSA.

4. The Applicant previously relied on discretionary relief under the CFA similar to the Dealer Registration Relief, which expired on November 22, 2016.

5. The Applicant is a broker-dealer registered with the SEC, a member of FINRA, a registered introducing broker with the CFTC and a member of the NFA.

6. The Applicant is a member of all major U.S. commodity futures exchanges.

7. The Applicant is not in default of securities or commodity futures legislation in any jurisdiction in Canada or under the CFA. The Applicant is in compliance in all material respects with U.S. securities and commodity futures laws.

8. Pursuant to its registrations and memberships, the Applicant is authorized to handle customer orders and introduce them to a futures commission merchant, and otherwise act as a futures introducing broker in the United States (**U.S.**). Rules of the CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer transactions, and comply with other forms of customer protection rules including know-your-customer obligations, as applicable, suitability requirements and anti-money laundering checks. These rules do not permit the Applicant to treat Permitted Clients materially differently from the Applicant's U.S. customers.

9. The Applicant proposes to offer Permitted Clients in Ontario the ability to trade in Exchange-Traded Futures through the Applicant.

10. The Applicant will execute trades in Exchange-Traded Futures on behalf of Permitted Clients in Ontario in the same manner that it executes trades on behalf of its U.S. clients. The Applicant will follow the same know-your-customer and order handling procedures that it follows in respect of its U.S. clients. Permitted Clients will be afforded the benefits of compliance by the Applicant with the statutory and other requirements of applicable securities regulators, self-

regulatory organizations and exchanges located in the U.S. Permitted Clients in Ontario will generally have the same contractual rights against the Applicant as U.S. clients of the Applicant.

11. The Applicant will not maintain an office, sales force or physical place of business in Ontario.

12. The Applicant will solicit trades in Exchange-Traded Futures in Ontario only from persons who qualify as Permitted Clients.

13. Permitted Clients of the Applicant will be offered the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.

14. The Exchange-Traded Futures to be traded by Permitted Clients will include, but will not be limited to, Exchange-Traded Futures for equity index, interest rate, energy, agricultural and other commodity products.

15. Permitted Clients of the Applicant will be able to execute Exchange-Traded Futures orders through the Applicant by contacting the Applicant's exchange floor staff or global execution desk. Permitted Clients will also be able to self-execute Exchange-Traded Futures orders electronically via an independent service vendor and/or other electronic trading routing.

16. The Applicant will execute a Permitted Client's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. The Applicant will remain responsible for all executions.

17. The Applicant will perform only the execution function for trades in Exchange-Traded Futures and will direct that a trade executed by the Applicant on behalf of a Permitted Client be delivered and cleared through the Permitted Client's carrying broker or clearing broker on the Non-Canadian Exchange on which the trade is executed.

18. As the Applicant performs only the execution of a Permitted Client's Exchange-Traded Futures order and “gives-up” the transaction for clearance to the Permitted Client's carrying broker or clearing broker, such broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under the CFA, as applicable. Each such carrying broker or clearing broker will represent to the Applicant, in an industry-standard give-up agreement, that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's Exchange-Traded Futures order will be executed and cleared. The Permitted Client will execute such give-up agreement. The Applicant will not enter into a give-up agreement with any carrying broker or clearing broker located in the U.S. unless such clearing broker is registered with the CFTC and/or the SEC, as applicable.

19. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client orders that are submitted to the exchange in the name of the carrying broker or clearing broker on exchanges where the Applicant is not a member. The Permitted Client is responsible to its carrying broker or clearing broker for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the carrying broker or the clearing broker is in turn responsible to the clearing corporation/division for payment.

20. Permitted Clients will pay commissions for trades to the Applicant for its role as introducing broker and Permitted Clients shall be responsible to pay any commissions to their carrying broker or clearing broker directly, if applicable.

21. The trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.

22. If the Applicant were registered under the CFA as a "futures commission merchant", it could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.

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

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

(a) each client effecting trades in Exchange-Traded Futures is a Permitted Client;

(b) any carrying broker or clearing broker has represented to the Applicant, and the Applicant has taken reasonable steps to verify, that it is appropriately registered under the CFA, or has been granted exemptive relief from the registration requirements in the CFA, in connection with the Permitted Client effecting trades in Exchange-Traded Futures;

(c) the Applicant only executes trades in Exchange-Traded Futures for Permitted Clients on Non-Canadian Exchanges;

(d) at the time trading activity is engaged in, the Applicant:

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

(ii) is registered as an introducing broker with the CFTC in good standing;

(iii) is a member in good standing with the NFA; and

(iv) engages in the business of an introducing broker in Exchange-Traded Futures in the U.S.;

(e) the Applicant has provided to the Permitted Client the following disclosure in writing:

(i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures as principal or agent;

(ii) a statement that the Applicant's head office or principal place of business is located in New York, New York, United States of America;

(iii) a statement that all or substantially all of the Applicant's assets may be situated outside of Canada;

(iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and

(v) the name and address of the Applicant's agent for service of process in Ontario;

(f) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix "A" hereto;

(g) the Applicant notifies the Commission of any regulatory action initiated after the date of this Decision in respect of the Applicant, or any predecessors or specified affiliates of the Applicant, by completing and filing with the Commission Appendix "B" hereto within ten days of the commencement of any such action; provided that the Applicant may satisfy this condition by filing with the Commission (i) a copy of any notice filed by the Applicant pursuant to CFTC Regulation 1.12(k), (l) or (m) at the same time such notice is filed with the CFTC and the NFA, and (ii) on a quarterly basis (A) a copy of the regulatory actions appearing on the Applicant's NFA Background Affiliation Status Information Center (BASIC) page and (B) a copy of any disclosures that would be required to be reported by the Applicant in the Regulatory Disclosures section of the Applicant's Annual Registration Update to the NFA;

(h) if the Applicant does not rely on the international dealer exemption in section 8.18 of NI 31-103 (the **IDE**), by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 *Fees* as if the Applicant relied on the IDE; and

(i) by December 1st of each year, the Applicant notifies the Commission of its continued reliance on the exemption from the dealer registration requirements in the CFA granted pursuant to this Decision by filing Form 13-502F4 *Capital Markets Participation Fee Calculation*.

This Decision will terminate on the earliest of:

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

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

the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and

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

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

"William Furlong"
Commissioner
Ontario Securities Commission

"Mark J. Sandler"
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

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

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:
   E-mail address:
   Phone:
   Fax:

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

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "Agent for Service"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

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

Dated: _______________

____
(Signature of the International Firm or authorized signatory)

____
(Name of signatory)

____
(Title of signatory)

Acceptance

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

Dated: ____________________

____
(Signature of the Agent for Service or authorized signatory)

____
(Name of signatory)

____
(Title of signatory)

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

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

APPENDIX "B"

NOTICE OF REGULATORY ACTION

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

   Yes _____ No _____

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

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

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

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

If yes, provide the following information for each action:

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

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

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

Yes _____ No _____

If yes, provide the following information for each investigation:

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

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

Witness

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

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

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

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Michael Patrick Lathigee et al. – ss. 127(1), 127(10)

IN THE MATTER OF
MICHAEL PATRICK LATHIGEE,
EARLE DOUGLAS PASQUILL,
FIC REAL ESTATE PROJECTS LTD.,
FIC FORECLOSURE FUND LTD. and
WBIC CANADA LTD.

REASONS AND DECISION
(Subsections 127(1) and 127(10) of the Securities Act, RSO 1990, c S.5)

Hearing:	In Writing		
Decision:	May 16, 2017		
Panel:	D. Grant Vingoe	–	Vice-Chair and Chair of the Panel
Appearances:	Malinda N. Alvaro	–	For Staff of the Commission
	Ahmad Mozaffari	–	For Michael Patrick Lathigee

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A. The British Columbia Securities Commission Decision

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REASONS AND DECISION

I. INTRODUCTION

[1] The merits hearing in this proceeding was conducted as a written hearing before the Ontario Securities Commission (the “Commission”) to determine whether it is in the public interest to make an order imposing sanctions against Michael Patrick Lathigee (“Mr. Lathigee”), Earle Douglas Pasquill (Mr. Pasquill”), FIC Real Estate Projects Ltd. (“FIC Projects”), FIC Foreclosure Fund Ltd. (“FIC Foreclosure”) and WBIC Canada Ltd. (“WBIC”) (collectively, the “Respondents”).

[2] The Respondents were served with a Notice of Hearing issued on November 9, 2016 and a Statement of Allegations dated November 8, 2016. Mr. Lathigee appeared by teleconference, on the return date for the hearing, on his own behalf and on behalf of FIC Projects Ltd. FIC Foreclosure Fund Ltd. and WBIC (collectively, the “Corporate Respondents”). Mr. Pasquill did not particpate in the proceeding, although properly served. At the merits hearing, Mr. Lathigee was represented by counsel. The Corporate Respondents did not participate in the merits hearing.

II. ANALYSIS

A. The British Columbia Securities Commission Decision

[3] On July 8, 2014, the British Columbia Securities Commission (the "BCSC") found that each of the Respondents perpetrated a fraud in contravention of sections 57(b) of the *Securities Act*, RSBC 1996, c. 418 (the "BC Act"). The decision is reported at *Michael Patrick Lathigee et al. (Re)*, 2014 BCSECCOM 264.

[4] The conduct for which the Respondents were sanctioned took place between approximately February and August of 2008 (the "Material Time").

[5] During the Material Time, Mr. Lathigee and Mr. Pasquill were residents of British Columbia. Mr. Lathigee and Mr. Pasquill jointly directed and controlled a group of companies called Freedom Investment Club ("FIC Group"). Mr. Lathigee and Mr. Pasquill were the sole individuals directing the affairs of the FIC Group, which included the Corporate Respondents.

[6] Mr. Lathigee and Mr. Pasquill were directors and officers of all of the companies in the FIC Group, including the Corporate Respondents. Further, Mr. Lathigee and Mr. Pasquill were, respectively, the CEO and president of FIC Projects and WBIC, and the president and secretary of FIC Foreclosure.

[7] FIC Group was Mr. Lathigee's concept. The idea was to educate investors about the investment and provide opportunities to investors to participate in FIC Group offerings. The meetings typically had a so-called educational component accompanied by a presentation, typically made by Mr. Lathigee about current investment opportunities.

[8] FIC Group's primary business was real estate development. Several different FIC Group companies were involved in various development projects. FIC Group's largest development project was Genesis on the Lakes ("Genesis"), a residential development near Edmonton, Alberta. Genesis was being developed in two phases. The first phase was divided into two sub-phases, 1A and 1B. Phase 1A of the Genesis project was financed by credit facilities and loans with a Canadian bank (the "Canadian Bank") to an FIC Group company called Genesis on the Lakes Ltd.

The Credit Facility

[9] FIC Group's credit facility at the Canadian Bank totalled $22.1 million (the "Credit Facility"). Security for the Credit Facility included a $22.1 million first mortgage against the Genesis project lands, an assignment of an investment portfolio held by a FIC Group company called 0760838 BC Ltd. ("076") and an assignment of $3 million of FIC Group term deposits and credit balances.

[10] FIC Group was required to maintain the market value of the 076 investment portfolio at a minimum market value of $9 million for the life of the Genesis project. The Credit Facility also required that no subsequent encumbrances be filed on the Genesis lands subject to the mortgage.

[11] At the end of January 2008, the market value of the 076 portfolio was $7.1 million, a deficiency of nearly $2 million. By the end of May 2008, the market value had fallen to $4.9 million, a deficiency of over $4 million. The evidence indicated that only on one day during the Material Time was the portfolio value close to the $9 million requirement.

[12] On February 7, 2008, contractors registered builders' liens totalling $5 million against Phase 1 of the Genesis project.

[13] From March to May of 2008, Mr. Lathigee, Mr. Pasquill and other members of the FIC Group management team repeatedly expressed concern over the status of the Credit Facility.

[14] The BCSC Panel found that the sustained material shortfall in the market value of the 076 investment portfolio and filed liens were a material default of the requirements under the Credit Facility. The BCSC Panel further found that the FIC Group was exposed to the significant risk that the Canadian Bank might decide to call the loans immediately, and it if had done so, the FIC Group would have immediately become insolvent.

Genesis Project Status

[15] At the end of January 2008, the FIC Group combined financial statements showed that Genesis contractors were owed $9.6 million for work completed to that date. By the end of February 2008, the Genesis contractor had billed at least $8 million for work done ahead of the project budget schedule, relating to the second phase of the project, whereas the Credit Facility was only for the first phase. There was no funding for phase two, and the contractor was looking for payment.

[16] FIC Group management repeatedly expressed their concerns about this cost overrun. Mr. Lathigee proposed an offering to FIC Group members for equity participation in Genesis. The equity idea was not pursued.

[17] The BCSC Panel found that Genesis incurred $10 million in cost overruns that FIC Group could not account for and that there was no other source to fund the $8 million in contractor invoices that did not qualify for funding under the Credit Facility. Further, the BCSC Panel found that the profit expectations for Genesis were diminished, with no profit expectation for the first phase of the Genesis project and that the expectations for the second phase were cut in half and could have been zero.

Cash Flow Problems

[18] Starting in January 2008, FIC Group management began to express concerns over the FIC Group's cash flow position. Up to July 2008, FIC Group's management repeatedly expressed concern through a series of e-mail exchanges over incoming liabilities and their inability to meet their financial obligations.

[19] Starting in February 2008, FIC Group management raised funds through FIC Foreclosure. Starting in March 2008, funds were raised through a FIC Projects distribution, and a further distribution commenced in April 2008 through WBIC.

[20] As funds from the distributions made by the FIC Group entities flowed in, Mr. Lathigee and Mr. Pasquill diverted them towards meeting FIC Group's existing liabilities, including funding the 076 investment portfolio deficiency. Funds were distributed among other FIC Group entities according to where cash was needed through a web of inter-company loan arrangements.

[21] Despite the persistent cash shortfall during the Material Time, Mr. Lathigee sought further funds to invest in foreclosures.

[22] The BCSC Panel found that the FIC Group was experiencing severe cash flow problems during the Material Time and that management had given their close attention to the cash flow issues throughout the Material Time, demonstrating concern through their communications.

Important Facts

[23] The BCSC Panel found that the defaults on the Credit Facility, the Genesis project status and cash flow problems in the FIC Group entities were each important facts. In combination, these facts further revealed the important fact that there was a reasonable possibility that FIC Group could become insolvent during the Material Time.

The FIC Projects and WBIC Distributions

[24] On March 7, 2008, Mr. Lathigee held a conference call and webcast to promote a distribution by FIC Projects, describing it as a "cash flow opportunity".

[25] During that conference call, Mr. Lathigee stated that the FIC Group had over $100 million in real estate assets and was seeking to raise $10 million. The promissory notes offered paid annual interest of 12 to 15 percent depending on the investment amount. Mr. Lathigee further told conference call participants that the purpose of the distribution was to enable FIC to more quickly develop its Edmonton real estate projects.

[26] The reference to the $100 million in assets did not account for encumbrances associated with those assets, which were approximately $50 million at the time.

[27] There was no mention of the FIC Group's financial condition, namely its severe cash flow problems, during the conference call. Nor was there any disclosure of the FIC Group's financial condition in the offering memorandum for the WBIC distribution.

[28] In March, April and July 2008, FIC Projects issued promissory notes to 267 investors for proceeds of $9.8 million.

[29] In April and May 2008, WBIC issued Class A shares to 100 investors for proceeds of $2 million.

[30] The BCSC Panel found that none of the funds raised from the FIC Projects distribution were used towards anything that would produce cash flow for investors. Instead, $5 million was used to top up the 076 investment portfolio and to pay Genesis contractors to remove the liens, $3.4 million was split between funds returned to FIC Foreclosure and funds held in reserve to meet interest payments on the promissory notes themselves, with the remaining $1.6 million going to overhead and third-party payments.

Misuse of Funds by FIC Foreclosure

[31] From February to April 2008, FIC Foreclosure raised $1.5 million through the distribution of Class A shares to 39 investors under the accredited investor exemption. From April to June 2008, FIC Foreclosure raised another $8.4 million through the distribution of Class A shares to another 292 investors under the offering memorandum exemption.

[32] In the subscription agreements, offering memorandum and conference call held by Mr. Lathigee, investors were told that FIC Foreclosure was formed expressly for the purpose of investing in foreclosure properties in the US residential real estate market. Mr. Lathigee further told investors that there were large inventories available and FIC Foreclosure had to act quickly and also that FIC Foreclosure was on the verge of making a number of acquisitions.

[33] Mr. Lathigee also told investors during the conference call that FIC Foreclosure could earn an annualized return of 132% over a period of six months.

[34] Of the $9.9 million raised, only $1.4 million was spent on foreclosure properties and another $751,000 on rental properties and tax liens. The funds were never used for their stated purpose. Most of the funds, about $7.8 million, were transferred to other FIC Group companies in order to, among other things, pay existing liabilities and overhead expenses of the FIC Group.

B. The BCSC Findings and Order

[35] In its Findings, the BCSC Panel concluded that:

(a) Mr. Lathigee, Mr. Pasquill, FIC Foreclosure, FIC Projects and WBIC perpetrated a fraud, contrary to section 57(b) of the BC Act when they raised $21.7 million from 698 investors without disclosing to those investors the important fact of FIC Group's financial condition; and

(b) Mr. Lathigee, Mr. Pasquill and FIC Foreclosure perpetrated a fraud, contrary to section 57(b) of the BC Act when they raised $9.9 million from 331 investors in FIC Foreclosure for the purpose of investing in foreclosure properties and instead used most of the funds to make unsecured loans to other FIC Group companies.

[36] The BCSC considered the nature of the conduct, including fraud, the harm to investors, the principles of specific and general deterrence and with reference to similar orders in analogous situations, made the following order in the public interest:

(a) upon the Corporate Respondents:

i. under sections 161(1)(b)(i), (d)(v) and (c) of the BC Act, respectively:

1. all persons permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts of the Corporate Respondents;

2. the Corporate Respondents are permanently prohibited from engaging in investor relations activities;

3. the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to the Corporate Respondents permanently;

ii. under section 161(1)(g) of the BC Act, that:

1. FIC Projects pay to the BCSC $9.8 million;

2. FIC Foreclosure pay to the BCSC $9.9 million; and

3. WBIC pay to the BCSC $2 million;

(b) upon Mr. Lathigee:

i. under sections 161(d)(i), (b)(ii), (d)(ii) to (v) and (c) of the BC Act, respectively:

1. Lathigee resign any position he holds as a director or officer of an issuer or registrant;

2. Lathigee cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts, except that he may trade and purchase them for his own account through a registrant if he gives the registrant a copy of the BCSC Order and this Order;

3. Lathigee is permanently prohibited from becoming or acting as a director or officer of any issuer or registrant, except that he may act as a director or officer of one issuer whose securities are solely owned by him or by him and his immediate family members;

4. Lathigee is permanently prohibited from becoming or acting as a promoter;

5. Lathigee is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;

6. Lathigee is permanent prohibited from engaging in investor relations activities; and

7. except for those exemptions necessary to allow Lathigee to trade or purchase securities and exchange contracts for his own account, the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Lathigee permanently;

ii. under section 161(1)(g) of the BC Act, that Lathigee pay to the BCSC $21.7 million; and

iii. under section 162 of the BC Act, that Lathigee pay to the BCSC an administrative penalty of $15 million;

(c) upon Mr. Pasquill:

i. under sections 161(1)(d)(i), (b)(ii), (d)(ii) to (v) and (c) of the BC Act, respectively:

1. Pasquill resign any position he holds as a director or officer of an issuer or registrant;

2. Pasquill cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts, except that he may trade and purchase them for his own account through a registrant if he gives the registrant a copy of the BCSC Order;

3. Pasquill is permanently prohibited from becoming or acting as a director or officer of any issuer or registrant;

4. Pasquill is permanently prohibited from becoming or acting as a promoter;

5. Pasquill is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;

6. Pasquill is permanently prohibited from engaging in investor relations activities; and

7. except for those exemptions necessary to allow Pasquill to trade or purchase securities and exchange contracts for his own account, the exemptions set out in the BC Act, the regulations or any decision as defined in the BC Act, do not apply to Pasquill permanently;

ii. under section 161(1)(g) of the BC Act, that Pasquill pay to the BCSC $21.7 million; and

iii. under section 162 of the BC Act, that Pasquill pay to the BCSC an administrative penalty of $15 million.

(d) FIC Projects, Lathigee and Pasquill be jointly and severally liable for $9.8 million ordered under section 161(1)(g) of the BC Act and that no amount in excess of $9.8 million be paid by them under the BCSC Order;

(e) FIC Foreclosure, Lathigee and Pasquill be jointly and severally liable for $9.9 million ordered under section 161(1)(g) of the BC Act and that no amount in excess of $9.9 million be paid by them under the BCSC Order; and

(f) WBIC, Lathigee and Pasquill be jointly and severally liable for $2 million ordered under section 161(1)(g) of the BC Act and that no amount in excess of $2 million be paid by them under the BCSC Order.

C. The Order Requested in the Public Interest

[37] Staff seeks an order to prevent or limit the Respondents' participation in Ontario's capital markets.

[38] Staff has established that the Respondents are subject to an order made by a securities regulatory authority that imposed sanctions upon them and thereby have established the threshold criteria set out in paragraph 4 of subsection 127(10) of the Act.

[39] Staff has requested that a public interest order be made to meet the purposes of the Act as described in section 1.1, that is, to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

[40] In addition, the Act recognizes the importance of inter-jurisdictional co-operation. Paragraph 5 of section 2.1 provides that "the integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes."

D. Should an Order be made in Ontario?

[41] Mr. Lathigee points out that he was granted leave to appeal on the BCSC's disgorgement order and that he has appealed such order. He acknowledges that he has not appealed the underlying decision or the other sanctions that were imposed. He therefore remains subject to an order made by a securities regulatory authority within the meaning of paragraph 4 of subsection 127(10) of the Act.

[42] Mr. Lathigee submits that Staff has not submitted any evidence that he presents a continuing threat to the public or that the BC sanctions have not been sufficient to achieve specific and general deterrence.

[43] Mr. Lathigee submits that the public interest in Ontario does not require the imposition of sanctions in the absence of evidence of misconduct in Ontario or in any other jurisdiction.

[44] Staff responds that Mr. Lathigee was found by the BCSC to have committed fraud and that the protection of Ontario investors and capital markets supports a reciprocal order. Staff points out that the Commission has not required a direct nexus of the wrongdoing with Ontario in its efforts to prevent wrongdoers from defrauding Ontario residents. Further, Staff submits that the Exempt Distribution Reports for FIC Foreclosure Fund and WBIC included as exhibits in the BC proceeding identified Ontario residents as participating in their offerings and therefore the fraud perpetrated by Mr. Lathigee.

[45] Staff also submitted evidence that Mr. Lathigee had previously sought to participate in Ontario capital markets, having applied for registration in Ontario in 2008.

[46] Staff submits that the BCSC Panel found the Respondents to present a "serious ongoing risk to the capital markets" and had embarked on business activities in the United States that resembled FIC Group's mandate.

[47] In a number of other decisions, the Commission has not required a nexus to Ontario when imposing an order of this nature. (See *Re Sundell* (2014), 37 O.S.C.B. 10755 at para. 37; *Re Bigfoot Recreation & Ski Area Ltd.* (2015), 38 O.S.C.B. 7370 at paras 13 and 21; *Re Ferguson* (2015), 38 O.S.C.B. 8849 at paras. 21 and 30; and *Re Powerwater Systems, Inc. et al.* (2015), 38 O.S.C.B. 2791 at para. 20.)

[48] Although not necessary to support my conclusion in the face of the fraud found by the BCSC Panel to have been perpetrated by the Respondents, arguments that there is no nexus to Ontario must fail when Ontario residents were in fact investors in offerings by the Corporate Respondents, directed by Mr. Lathigee and Mr. Pasquill, that were the very subject of the BC proceeding.

[49] Mr. Lathigee submits that, in the absence of such evidence, mere reliance on the misconduct likely constituting similar contraventions of Ontario securities law would result in an inappropriate "near-automatic imposition of sanctions, relying on subsection 127(10)." While some cases have considered whether the misconduct that was the subject of the original proceeding may result in contraventions of Ontario securities law, this is not a requirement under subsection 127(10) of the Act. Some panels may find it helpful in assessing whether an order is in the public interest by determining the likely outcome if such conduct had been the subject of a merits hearing in Ontario. In this case, the conduct for which the Respondents were sanctioned in British Columbia would have constituted a contravention of the *Securities Act* in Ontario, had it taken place here. The conduct is serious: it harmed investors; enriched the Respondents; and constituted a fraud.

[50] Mr. Lathigee also objects to the order sought by Staff to the extent that it goes further than the BC Order by including a ban on acting as an investment fund manager as well as by not permitting carve-outs from the trading and director and officer bans to permit him to (i) trade from his own account through a registered dealer and (ii) to act as a director and officer of one private issuer whose securities are owned solely by him and his immediate family.

[51] It is appropriate to make an order in the public interest to prevent such conduct in the capital markets in Ontario. Further, I agree with Staff that Mr. Lathigee and Mr. Pasquill should have no future involvement in Ontario capital markets, including as an investment fund manager, in addition to the scope of the BC sanctions.

[52] However, I agree with Mr. Lathigee that the carve-outs permitted by the BCSC Panel should be incorporated in the order. This panel did not have a sufficient evidentiary basis to conclude that their allowance would pose risks in Ontario or to question the BC Panel's exercise of discretion in this regard. I will extend these same carve-outs to Mr. Pasquill.

[53] Finally, an order that is based upon an order of a securities regulatory authority in another jurisdiction is not made automatically; however, it is important to consider the need to be responsive to the interconnected cross-border securities industry and the realities of the mobility of funds, people and information.

III. ORDER

[54] As a result of the above, I will make an order:

1. against Mr. Lathigee that:

   (a) trading in any securities or derivatives by Mr. Lathigee shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act, except trades that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

   (b) the acquisition of any securities by Mr. Lathigee is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except acquisitions that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

   (c) any exemptions contained in Ontario securities law do not apply to Mr. Lathigee permanently, pursuant to paragraph 3 of subsection 127(1) of the Act, except for those exemptions necessary for him to trade or acquire securities for his own account;

   (d) Mr. Lathigee resign any position he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, except that he may act as a director or officer of one issuer whose securities are solely owned by him or by him and his immediate family members (being: Mr. Lathigee's spouse, parent, child, sibling, mother- or father-in-law, son- or daughter-inlaw, or brother- or sister-in-law);

   (e) Mr. Lathigee is prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, except that he may act as a director or officer of one issuer whose securities are solely owned by him or by him and his immediate family members (being: Mr. Lathigee's spouse, parent, child, sibling, mother- or father-in-law, son- or daughter-in-law, or brother- or sister-in-law); and

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

2. against Mr. Pasquill that:

   (a) trading in any securities or derivatives by Mr. Pasquill shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act, except trades that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

   (b) the acquisition of any securities by Mr. Pasquill is prohibited permanently, pursuant to paragraph 2.1 of subsection 127(1) of the Act, except acquisitions that are made for his own account through a registrant who has been first given a copy of the BCSC Order and a copy of the Order of the Commission in this proceeding;

(c) any exemptions contained in Ontario securities law do not apply to Mr. Pasquill permanently, pursuant to paragraph 3 of subsection 127(1) of the Act, except for those exemptions necessary for him to trade or acquire securities for his own account;

(d) Mr. Pasquill resign any position he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;

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

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

3. against each of the Corporate Respondents that:

(a) trading in any securities by the Corporate Respondents shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

(b) trading in any securities or derivatives by the Corporate Respondents shall cease permanently, pursuant to paragraph 2 of subsection 127(1) of the Act;

(c) the acquisition of any securities by the Corporate Respondents is prohibited permanently, pursuant to paragraph 2.1 of the Act; and

(d) any exemptions contained in Ontario securities law do not apply to the Corporate Respondents permanently, pursuant to paragraph 3 of subsection 127(1) of the Act.

Dated at Toronto this 16th day of May, 2017.

“D. Grant Vingoe”

3.1.2 Jorge Neher – ss. 127, 127.1

IN THE MATTER OF
JORGE NEHER

REASONS AND DECISION ON SETTLEMENT
(Sections 127 and 127.1 of the Securities Act, RSO 1990, c S.5)

Citation: Neher, Jorge, 2017 ONSEC 18
Date: 2017-05-16

Hearing:	May 16, 2017		
Decision:	May 16, 2017		
Panel:	Timothy Moseley	–	Commissioner and Chair of the Panel
	Peter Currie	–	Commissioner
	Robert Hutchison	–	Commissioner
Appearances:	Cullen Price	–	For Staff of the Enforcement Branch of the Ontario Securities Commission
	Paul Le Vay	–	For Jorge Neher

REASONS AND DECISION

[1] Mr. Neher is a partner at a global law firm. He admits that he engaged in conduct contrary to the public interest by failing to read, understand and comply with his firm's policy requiring the pre-clearance of trades in securities. He has entered into a settlement agreement with Staff of the Commission. He and Staff submit jointly that it would be in the public interest for us to approve the agreement and to issue the requested order. We agree. We reach that conclusion for the following reasons.

[2] Mr. Neher was the lead partner for a firm client, which was a public company. Without Mr. Neher's knowledge, that client had been placed on his firm's list of issuers that could not be traded. Mr. Neher purchased shares of the client while the client was on the list. Had he tried to pre-clear his intended purchases as required, he would have learned that the purchases were, in the words of the settlement agreement, 'expressly prohibited, due to the client having been placed on' the firm's list of prohibited issuers.

[3] There is no allegation that Mr. Neher's failure to comply with the policy, or his purchases of the shares, contravened Ontario securities law. Specifically, there is no allegation that Mr. Neher was in possession of any material non-public information about the client at the time. There is no allegation that Mr. Neher engaged in any abusive, willful or knowing misconduct. There is no allegation that Mr. Neher knew any information that would explain why the client issuer had been placed on the firm's restricted list.

[4] The law firm's policy is a prudent one, especially because the firm routinely advises clients about mergers and acquisitions. Professional services firms often come into possession of material non-public information about public issuers. Policies such as this one recognize the firm's gatekeeper role and contribute to the integrity of the capital markets. We note also that by virtue of subsection 76(5) of the *Securities Act*, RSO 1990, c S.5 (the "Act"), Mr. Neher was in a "special relationship" with the issuer, given that as lead partner he was engaging in professional activity on behalf of the issuer. Even though, as noted earlier, Mr. Neher did not possess any material non-public information about the issuer at the time of the trades, as someone in a special relationship with a publicly traded issuer Mr. Neher was under an obligation to be particularly cautious when dealing in securities of that issuer.

[5] The proposed settlement between Staff and Mr. Neher calls for a voluntary payment, sanctions and costs. While those have been agreed to by the parties, we must decide whether the agreement should be approved. In making that decision, we recognize that the agreement is the product of negotiation between Staff and Mr. Neher, both ably represented by counsel. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties. This proposed settlement would resolve this matter promptly, efficiently and with certainty, saving the costs that would be incurred in a contested proceeding.

[6] However, we must still be satisfied that the agreed-upon sanctions are reasonable in the circumstances, and that it would be in the public interest to approve the settlement and to issue the order contemplated by the agreement and proposed by the parties.

[7] It is noteworthy that the conduct underlying this settlement relates solely to a violation of a law firm policy and not of Ontario securities law. Counsel identified no previous Commission decision that is substantially similar to this case. Therefore, we are to some extent in uncharted territory. Having said that, the parties agree that the particular circumstances of this case do engage the animating principles of the Act, and therefore the Commission's public interest jurisdiction. It may be for another day, in other circumstances, that the limits of that jurisdiction in the context of a case like this are explored.

[8] Staff and the respondents submit that this proposed settlement is in the public interest, and we agree. We consider that the agreed-upon terms will have both a specific and a general deterrent effect, and that the terms are reasonable in the circumstances. For all these reasons, we approve the settlement agreement as requested and we will issue an order substantially in the form of Schedule 'A' to that agreement.

Dated at Toronto this 16th day of May, 2017.

"Timothy Moseley"

"Peter Currie"

"Robert Hutchison"

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
Aida Minerals Corp.	05 May 2017	16 May 2017
Atna Resources Ltd.	18 May 2017	
Emerald Bay Energy Inc.	08 May 2017	19 May 2017

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Ellipsiz Communications Ltd.	05 May 2017	17 May 2017

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
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
CHC Student Housing Corp.	05 May 2017	
Ellipsiz Communications Ltd.	05 May 2017	17 May 2017
Stompy Bot Corporation	04 May 2017	

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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:
CWB Core Equity Fund
CWB Core Fixed Income Fund
CWB Onyx Balanced Solution
CWB Onyx Canadian Equity Fund
CWB Onyx Conservative Solution
CWB Onyx Diversified Income Fund
CWB Onyx Global Equity Fund
CWB Onyx Growth Solution
Principal Regulator – Alberta (ASC)
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated April 15, 2017
NP 11-202 Preliminary Receipt dated May 16, 2017
Offering Price and Description:
Offering Series A and O Units
Underwriter(s) or Distributor(s):
CWB Wealth Management Ltd.
Promoter(s):
CWB Wealth Management Ltd
Project #2627621

Issuer Name:
LOGiQ Balanced Monthly Income Class
LOGiQ Global Balanced Income Class
LOGiQ Global Opportunities Class
LOGiQ Growth and Income Class
LOGiQ Growth Class
LOGiQ MLP and Infrastructure Income Class
LOGiQ Money Market Class
LOGiQ Resource Growth and Income Class
LOGiQ Special Opportunities Class
LOGiQ Tactical Bond Class
LOGiQ Tactical Bond Fund
LOGiQ Tactical Equity Class
Principal Regulator – Ontario
Type and Date:
Amendment #3 to Final Simplified Prospectus dated May 12, 2017
Received on May 18, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
FRONT STREET CAPITAL 2004
Project #2495432

Issuer Name:
LOGiQ Growth Fund
Principal Regulator – Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated May 12, 2017
Received on May 18, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2496202

Issuer Name:
Phillips, Hager & North $U.S. Money Market Fund
Phillips, Hager & North Balanced Fund
Phillips, Hager & North Bond Fund
Phillips, Hager & North Canadian Equity Fund
Phillips, Hager & North Canadian Equity Underlying Fund
Phillips, Hager & North Canadian Equity Underlying Fund II
Phillips, Hager & North Canadian Equity Value Fund
Phillips, Hager & North Canadian Growth Fund
Phillips, Hager & North Canadian Income Fund
Phillips, Hager & North Canadian Money Market Fund
Phillips, Hager & North Currency-Hedged Overseas Equity Fund
Phillips, Hager & North Currency-Hedged U.S. Equity Fund
Phillips, Hager & North Dividend Income Fund
Phillips, Hager & North Global Equity Fund
Phillips, Hager & North High Yield Bond Fund
Phillips, Hager & North Inflation-Linked Bond Fund
Phillips, Hager & North LifeTime 2015 Fund
Phillips, Hager & North LifeTime 2020 Fund
Phillips, Hager & North LifeTime 2025 Fund
Phillips, Hager & North LifeTime 2030 Fund
Phillips, Hager & North LifeTime 2035 Fund
Phillips, Hager & North LifeTime 2040 Fund
Phillips, Hager & North LifeTime 2045 Fund
Phillips, Hager & North LifeTime 2050 Fund
Phillips, Hager & North Long Inflation-linked Bond Fund
Phillips, Hager & North Monthly Income Fund
Phillips, Hager & North Overseas Equity Fund
Phillips, Hager & North Short Term Bond & Mortgage Fund
Phillips, Hager & North Total Return Bond Fund
Phillips, Hager & North U.S. Dividend Income Fund
Phillips, Hager & North U.S. Equity Fund
Phillips, Hager & North U.S. Growth Fund
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund
Phillips, Hager & North Vintage Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated May 16, 2017
NP 11-202 Preliminary Receipt dated May 17, 2017
Offering Price and Description:
Series T5 and Series FT5 Securities
Underwriter(s) or Distributor(s):
Phillips, Hager & North Investment Funds Ltd.
Promoter(s):
RBC Global Asset Management Inc.
Project #2628011

Issuer Name:
RBC Canadian Bond Index ETF
RBC Canadian Equity Index ETF
RBC Canadian Short Term Bond Index ETF
RBC Emerging Markets Equity Index ETF
RBC Global Government Bond (CAD Hedged) Index ETF
RBC International Equity Index ETF
RBC U.S. Equity Index ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 15, 2017
NP 11-202 Preliminary Receipt dated May 17, 2017
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
Promoter(s):
RBC GLOBAL ASSET MANAGEMENT INC.
Project #2628151

Issuer Name:
Dynamic Active Core Bond Private Pool
Dynamic Active Credit Strategies Private Pool
Dynamic Alternative Investments Private Pool Class
Dynamic Asset Allocation Private Pool
Dynamic Canadian Equity Private Pool Class
Dynamic Conservative Yield Private Pool
Dynamic Conservative Yield Private Pool Class
Dynamic Global Equity Private Pool Class
Dynamic Global Yield Private Pool
Dynamic Global Yield Private Pool Class
Dynamic International Dividend Private Pool
Dynamic North American Dividend Private Pool
Dynamic Premium Bond Private Pool
Dynamic Premium Bond Private Pool Class
Dynamic Tactical Bond Private Pool
Dynamic U.S. Equity Private Pool Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 17, 2017
NP 11-202 Receipt dated May 18, 2017
Offering Price and Description:
Series F, FH, FT, I and O Units and Series F, FH, FT, I and O Shares
Underwriter(s) or Distributor(s):
1832 ASSET MANAGEMENT L.P.
Promoter(s):
1832 ASSET MANAGEMENT L.P.
Project #2609787

Issuer Name:
imaxx Canadian Bond Fund
imaxx Canadian Dividend Fund
imaxx Canadian Equity Growth Fund
imaxx Canadian Fixed Pay Fund
imaxx Global Equity Growth Fund
imaxx Money Market Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 18, 2017
NP 11-202 Receipt dated May 18, 2017
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2609404

Issuer Name:
Redwood Canadian Preferred Share Fund (formerly Redwood Floating Rate Preferred Fund)
Redwood Core Income Equity Fund (formerly Connected Wealth Core Income Class)
Redwood Equity Growth Fund (formerly Redwood Equity Growth Class)
Redwood Global Equity Strategy Fund (formerly Redwood Global Equity Strategy Class)
Redwood Income Growth Fund (formerly Redwood Income Growth Class)
Redwood Infrastructure Income Fund
Redwood Tactical Asset Allocation Fund (formerly Connected Wealth Tactical Class)
Redwood Unconstrained Bond Class (formerly Redwood Flexible Bond Class)
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 11, 2017
NP 11-202 Receipt dated May 17, 2017
Offering Price and Description:
Series A shares, Series F shares, Series I shares, Series X shares and Series Y shares, ETF units, Class A units, Class F units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Redwood Asset Management Inc.
Project #2610753

Issuer Name:
Scotia Canadian Dividend Class
Scotia Canadian Equity Blend Class
Scotia Conservative Government Bond Capital Yield Class
Scotia Fixed Income Blend Class
Scotia Global Dividend Class
Scotia INNOVA Balanced Growth Portfolio Class
Scotia INNOVA Balanced Income Portfolio Class
Scotia INNOVA Growth Portfolio Class
Scotia INNOVA Income Portfolio Class
Scotia INNOVA Maximum Growth Portfolio Class
Scotia International Equity Blend Class
Scotia Partners Balanced Growth Portfolio Class
Scotia Partners Balanced Income Portfolio Class
Scotia Partners Growth Portfolio Class
Scotia Partners Maximum Growth Portfolio Class
Scotia U.S. Equity Blend Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 16, 2017
NP 11-202 Receipt dated May 18, 2017
Offering Price and Description:
Series A and T shares
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
1832 Asset Management L.P.
Project #2609791

Issuer Name:
Vanguard Global Liquidity Factor ETF
Vanguard Global Minimum Volatility ETF
Vanguard Global Momentum Factor ETF
Vanguard Global Value Factor ETF
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 16, 2017
NP 11-202 Receipt dated May 18, 2017
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2609267

Issuer Name:
Yorkville American QVR Enhanced Protection Class
Yorkville Canadian QVR Enhanced Protection Class
Yorkville International QVR Enhanced Protection Class
(formerly, Yorkville EAFE QVR Enhanced Protection Class)
Yorkville Enhanced Protection Class
Yorkville Global Opportunities Class
Yorkville Health Care Opportunities Class
Yorkville Optimal Return Bond Class
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated May 12, 2017
NP 11-202 Receipt dated May 16, 2017
Offering Price and Description:
Series A, Series F and Series O shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
-
Project #2609422

NON-INVESTMENT FUNDS

Issuer Name:
Brio Gold Inc.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 17, 2017
NP 11-202 Preliminary Receipt dated May 17, 2017
Offering Price and Description:
$80,001,000.00 – 26,667,000 Common Shares
Price: $3.00 per Offered Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Eight Capital
Raymond James Ltd.
Promoter(s):
Yamana Gold Inc.
Project #2625676

Issuer Name:
Enerdynamic Hybrid Technologies Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 15, 2017
NP 11-202 Preliminary Receipt dated May 17, 2017
Offering Price and Description:
$10,000,000.00 – COMMON SHARES, WARRANTS, UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2627003

Issuer Name:
Loblaw Companies Limited
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 15, 2017
NP 11-202 Preliminary Receipt dated May 17, 2017
Offering Price and Description:
$2,000,000,000.00 – Debentures (unsecured), Second Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2628073

Issuer Name:
NioCorp Developments Ltd.
Principal Regulator – Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 16, 2017
NP 11-202 Preliminary Receipt dated May 18, 2017
Offering Price and Description:
$2,000,050.00 – 3,077,000 Units
Price: $0.65 per Unit
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #2625554

Issuer Name:
Sierra Metals Inc. (formerly Dia Bras Exploration Inc.)
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus dated May 18, 2017
NP 11-202 Preliminary Receipt dated May 18, 2017
Offering Price and Description:
C$75,000,000.00 – Comon Shares, Warrants, Units, Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2628773

Issuer Name:
Alignvest Acquisition II Corporation
Principal Regulator – Ontario
Type and Date:
Final Long Form Prospectus dated May 18, 2017
NP 11-202 Receipt dated May 18, 2017
Offering Price and Description:
$350,000,000.00 – 35,000,000 Class A Restricted Voting Units at $10.00 per unit.
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
CITIGROUP GLOBAL MARKETS CANADA INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
UBS SECURITIES CANADA INC.
Promoter(s):
Alignvest II Corporation
Project #2618851

Issuer Name:
Marathon Gold Corporation
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated May 16, 2017
NP 11-202 Receipt dated May 16, 2017
Offering Price and Description:
$16,180,000.00 – 6,000,000 COMMON SHARES at a price of $1.03 per Offered
Share and 8,000,000 FLOW-THROUGH COMMON SHARES at a price of $1.25 per FT Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
HAYWOOD SECURITIES INC.
BEACON SECURITIES LIMITED
CANACCORD GENUITY CORP.
PARADIGM CAPITAL INC.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #2621650

Issuer Name:
Shopify Inc.
Principal Regulator – Ontario
Type and Date:
Amendment dated May 17, 2017 to Final Shelf Prospectus dated August 5, 2016
NP 11-202 Receipt dated May 17, 2017
Offering Price and Description:
$2,500,000,000.00 – Class A Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2511675

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Evolve Funds Group Inc.	Investment Fund Manager and Portfolio Manager	May 16, 2017
New Registration	Forysta Capital Inc.	Portfolio Manager	May 17, 2017
New Registration	Rethink and Diversify Securities Inc.	Exempt Market Dealer	May 18, 2017

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 IIROC – Re-Publication of Proposed Amendments Respecting the Reporting of Certain Trades on Acceptable Foreign Trade Reporting Facilities

RE-PUBLICATION OF PROPOSED AMENDMENTS RESPECTING THE REPORTING OF CERTAIN TRADES ON ACCEPTABLE FOREIGN TRADE REPORTING FACILITIES

IIROC is re-publishing for public comment proposed amendments to the Universal Market Integrity Rules regarding acceptable foreign trade reporting facilities(“Proposed Amendments”). The proposal was initially published for comment on April 21, 2016 and four comment letters were received. The purpose of the Proposed Amendments is to accommodate certain trading practices and help ensure large orders have access to “upstairs” liquidity pools in the U.S., that under current requirements are difficult to access. The Proposed Amendments would introduce a new definition of “acceptable foreign trade reporting facility” and would allow trades in a listed or quoted security over 50 standard trading units and over $100,000 in value or any to be reported to an acceptable foreign trade reporting facility. In response to comments received, the Proposed Amendments would also allow any trade originating from a contingent order related to a derivative transaction where the derivative transaction occurs outside of Canada and the trade is handled by the same intermediary as the derivative transaction to be reported to an acceptable foreign trade reporting facility.

A copy of the IIROC Notice including the proposed amendments is published on our website at www.osc.gov.on.ca. The comment period ends on June 26, 2017.

13.3 Clearing Agencies

13.3.1 Eurex Clearing AG – Application for Exemption from Recognition as a Clearing Agency – OSC Notice and Request for Comment

OSC NOTICE AND REQUEST FOR COMMENT

EUREX CLEARING AG

APPLICATION FOR EXEMPTION FROM RECOGNITION AS A CLEARING AGENCY

A. Background

Eurex Clearing AG (**Eurex Clearing**) has applied (the **Application**) to the Commission for an order pursuant to section 147 of the *Securities Act* (Ontario) (**OSA**) to exempt it from the requirement to be recognized as a clearing agency in subsection 21.2(0.1) of the OSA. Among other factors set out in the Application, the exemption is being sought on the basis that Eurex Clearing is subject to an appropriate regulatory and oversight regime in its home jurisdiction of Germany by the German Federal Financial Supervisory Authority (**BaFin**) and the German Central Bank.

Eurex Clearing qualifies as a central counterparty (**CCP**) pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (**EMIR**). EMIR sets out clearing and bilateral risk-management requirements for over-the-counter derivative contracts, reporting requirements for derivative contracts, and uniform requirements for the performance of activities of CCPs and trade repositories. Eurex Clearing was granted authorization as a CCP under EMIR effective from April 10, 2014.

Eurex Clearing is currently carrying on business as a clearing agency in Ontario pursuant to an interim order (**Interim Order**) exempting Eurex Clearing from the requirement to be recognized as a clearing agency pursuant to subsection 21.2(0.1) of the OSA. The Interim Order terminates on the earlier of (i) July 21, 2017 and (ii) the effective date of a subsequent Commission order that exempts Eurex Clearing.

B. Proposed Regulatory Approach

Staff have reviewed the Application and other material required by National Instrument 24-102 *Clearing Agency Requirements* (**NI 24-102**). We are prepared to recommend to the Commission that it exempt Eurex Clearing because it does not currently pose significant risk to Ontario’s capital markets and is subject to an appropriate regulatory and oversight regime in another jurisdiction by its home regulator.

In determining whether a clearing agency poses significant risk to Ontario, we consider the level of activity of the clearing agency in Ontario (using indicators such as notional value and volume of transactions cleared for Ontario-based market participants) and other qualitative and quantitative factors, such as interconnectedness, size of obligations and the role and central importance of a clearing agency to a particular market.

C. Draft Order

Among other things, the Application describes Eurex Clearing’s requirements under EMIR that are generally comparable or that achieve similar outcomes to the requirements of NI 24-102. A copy of Eurex Clearing’s Application can be found on the Commission website at: **http://www.osc.gov.on.ca/en/Marketplaces_eurex-clearing-ag.htm**

Subject to comments received, staff propose to recommend to the Commission that it grant Eurex Clearing an exemption order in the form of the proposed draft order attached at Appendix A (**Draft Order**).

The Draft Order requires Eurex Clearing to comply with various terms and conditions set forth in Schedule “A” to the Draft Order, including relating to:

1. Permitted scope of clearing activities in Ontario
2. Regulation of Eurex Clearing
3. Governance
4. Filing requirements
5. Information sharing

The Draft Order also acknowledges that the scope of the terms and conditions imposed by the Commission, or the determination whether it is appropriate that Eurex Clearing continue to be exempted from the requirement to be recognised as a clearing agency, may change as a result of the Commission's monitoring of developments in international and domestic capital markets or Eurex Clearing's activities in Ontario, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities.

D. Comment Process

The Commission is publishing for public comment the Application and Draft Order. We are seeking comment on all aspects of the Application and Draft Order.

You are asked to provide your comments in writing, via e-mail and delivered on or before June 26, 2017 addressed to the attention of the Secretary of the Commission, Ontario Securities Commission, 20 Queen Street West, Toronto, Ontario, M5H 3S8, e-mail: comments@osc.gov.on.ca.

The confidentiality of submissions cannot be maintained as comments received during the comment period will be published.

Questions may be referred to:

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APPENDIX "A"

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

AND

**IN THE MATTER OF
EUREX CLEARING AG**

**ORDER
(Section 147 of the OSA)**

WHEREAS Eurex Clearing AG (**Eurex Clearing**) has filed an application (**Application**) with the Ontario Securities Commission (**Commission**) pursuant to section 147 of the OSA requesting an order exempting Eurex Clearing from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA (**Order**);

AND WHEREAS on September 22, 2016, the Commission issued an order that exempted Eurex Clearing on an interim basis (**Interim Order**) from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA, until the earlier of (i) April 20, 2017 and (ii) the effective date of a subsequent order exempting Eurex Clearing from the requirement to be recognized as a clearing agency under section 147 of the OSA;

AND WHEREAS on April 10, 2017, the Commission issued an order varying the Interim Order to extend Eurex Clearing's interim exemption from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA to July 21, 2017;

AND WHEREAS the Interim Order will be replaced by this Order;

AND WHEREAS Eurex Clearing has represented to the Commission that:

1.1 Eurex Clearing is a stock corporation (*Aktiengesellschaft*) incorporated under German law and is a wholly owned subsidiary of Eurex Frankfurt AG and an indirect wholly owned subsidiary of Deutsche Börse AG, a publicly traded company listed on the Frankfurt Stock Exchange.

1.2 Eurex Clearing qualifies as a central counterparty (**CCP**) pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (**EMIR**), which sets out clearing and bilateral risk-management requirements for over-the-counter (**OTC**) derivative contracts, reporting requirements for derivative contracts, and uniform requirements for the performance of activities of CCPs and trade repositories. It was granted authorization as a CCP under EMIR effective from April 10, 2014.

1.3 Eurex Clearing is of the opinion that it fully observes the international standards applicable to financial market infrastructures described in the April 2012 report *Principles for financial market infrastructures* (**PFMI**), having prepared a detailed assessment of its compliance against the PFMI and the associated disclosure framework as of February 2015, which was reviewed and validated by KPMG as an independent outside auditor.

1.4 Eurex Clearing is subject to regulatory supervision by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (**BaFin**) and the German Central Bank.

1.5 Eurex Clearing is required to deliver to the German Central Bank monthly returns showing its liquidity and capital adequacy. The German Central Bank forwards these returns to BaFin, together with its comments. In addition, Eurex Clearing delivers its audited annual report and timely reports on specified types of organizational changes (*e.g.*, new members of its executive board, departure of executive board members, establishment of subsidiaries, and opening of branches). The German Central Bank reviews Eurex Clearing's annual financial statements and auditors' reports and does an annual risk classification of Eurex Clearing, including an assessment of the adequacy of Eurex Clearing's capital and risk management procedures. The German Central Bank shares its findings with BaFin. In addition, BaFin may order site audits, which are also carried out by members of the German Central Bank.

1.6 Eurex Clearing is a registered derivatives clearing organization (**DCO**) with the U.S. Commodity Futures Trading Commission (**CFTC**), and is thus subject to and complies with the CFTC's DCO "Core Principles". Currently, Eurex Clearing is allowed to clear proprietary interest rate swap (**IRS**) transactions for U.S. Clearing Members, though not

customer transactions. Eurex Clearing will be allowed to clear customer IRS transactions when it can demonstrate compliance with the CFTC's straight-through-processing requirement.

1.7 Eurex Clearing functions as the CCP for all transactions concluded on Eurex Deutschland, which is operated by Eurex Frankfurt AG, and Eurex Zürich, which is operated by Eurex Zürich AG. Eurex Clearing also acts as the CCP for Eurex Bonds, Eurex Repo, the Frankfurt Stock Exchange, including its Xetra® order book, and the Irish Stock Exchange. In addition, Eurex Clearing offers clearing services for OTC IRS transactions and inflation swaps as well as for securities lending transactions. Products cleared by Eurex Clearing include derivatives, equities, bonds, swaps, and secured funding and financing.

1.8 A clearing member is a member of Eurex Clearing that holds a clearing license and may be either a General Clearing Member (**GCM**) or a Direct Clearing Member (**DCM** and, together with GCMs, **Clearing Members**). Participation as a GCM or DCM requires the granting of the appropriate license, for which specific requirements must be fulfilled. Companies may apply for one or more Clearing Licenses, including a Eurex Derivatives Clearing License, Eurex Bonds Clearing License, Eurex Repo Clearing License, FWB® Equity Clearing License and EEX Clearing License. A customer of a Clearing Member that is disclosed to Eurex Clearing and enters into a tripartite Clearing Agreement with Eurex Clearing and a Clearing Member qualifies as either a Non-Clearing Member (**NCM**) or a Registered Customer (**RC**). An NCM qualifies as a market participant without holding any clearing licenses. An RC does not qualify as a market participant by virtue of acting in that capacity. A DCM may act as clearer for an NCM or RC only if the DCM and NCM or RC are 100% affiliated. A GCM may act as clearer for any NCM or RC. An NCM may have a relationship with a maximum of three different Clearing Members. Clearing Members may clear their own trades as well as those executed on behalf of their customers and the trades of NCMs with which they have signed a Clearing Agreement.

1.9 Companies may apply for one or more Clearing Licenses for the clearing of:

1.9.1 Transactions concluded at Eurex Deutschland and Eurex Zürich (Chapter II of Eurex Clearing's Clearing Conditions (Clearing Conditions));

1.9.2 Transactions concluded at Eurex Bonds GmbH (Chapter III of the Clearing Conditions);

1.9.3 Transactions concluded at Eurex Repo GmbH (Chapter IV of the Clearing Conditions);

1.9.4 Transactions concluded at Frankfurter Wertpapierbörse (Chapter V of the Clearing Conditions);

1.9.5 Transactions concluded at Irish Stock Exchange (Chapter VI of the Clearing Conditions);

1.9.6 Securities Lending Transactions (Chapter IX of the Clearing Conditions);

1.9.7 OTC Interest Rate Derivative Transactions (Chapter VIII of the Clearing Conditions).

1.10 A Basic Clearing Member is an entity other than a Clearing Member that participates in the clearing of certain transactions under the Basic Clearing Member clearing model. Whereas Eurex Clearing's other clearing models require the applicant to qualify as a licensed credit or financial service institution, the Basic Clearing Member clearing model aims at regulated and supervised financial service companies, investment funds, pension funds, insurance companies and reinsurance companies. Currently, Eurex Clearing only onboards such entities if the relevant entity is domiciled in the European Union or Switzerland. Basic Clearing Members are only allowed to enter into proprietary transactions and cannot clear transactions for clients. Further, Basic Clearing Members can only enter into transactions concluded on Eurex Repo and OTC interest rate derivative transactions.

1.11 Eurex Clearing also offers a Specific Lender License to participants in the securities lending market (**Specific Lenders**). The Specific Lender License accepts beneficial owners that lend securities as direct participants without requiring them to post margin or to contribute to its clearing fund. Specific Lenders do not create a risk position for Eurex Clearing because loaned securities are irrevocably delivered by Specific Lenders at the commencement of lending transactions and all collateral delivered for the benefit of Specific Lenders of pledged collateral that remains under the custody of approved tri-party collateral agents.

1.12 Eurex Clearing also offers a Specific Repo License to participants in the repo market. The Specific Repo License accepts clients that are net cash providers as direct participants to Eurex Clearing without requiring them to post margin or contribute to its clearing fund.

1.13 For purposes of reporting value and volume required under paragraphs 8(e)a and 8(e)b of Schedule "A" to this order, Eurex Clearing will use the following asset classes, providing separate figures for futures and options as applicable:

- Equity Index Futures/Options
- Interest Rate Futures/Options
- Equity Futures/Options
- Exchange Traded Fund and Exchange Traded Commodity Futures/Options
- Volatility Index Futures/Options
- Dividend Futures/Options
- Commodity Futures/Options
- Property Futures/Options
- Foreign Exchange Futures/Options

1.14 For purposes of reporting margin required under paragraphs 8(e)c and 8(e)d of Schedule "A" to this order, Eurex Clearing will report on the Liquidation Group level. Eurex Clearing has introduced the concept of Liquidation Groups and calculates risk on this level. Cleared products that share similar risk characteristics are assigned to the same Liquidation Group. This allows for a more comprehensive portfolio risk calculation and also enables cross margining across Liquidation Groups as long as offsets can be realized during the default management process.

Eurex Clearing currently has the following nine Liquidation Groups:

- Listed Equity (Index) Derivatives Liquidation Group
- Listed Fixed Income Liquidation Group
- IRS and Inflation Liquidation Group
- Asian co-operations KOSPI/TAIFEX Liquidation Group
- Commodity (Index) Derivatives Liquidation Group
- Precious Metal Derivatives Liquidation Group
- Property Futures Liquidation Group
- FX Derivatives Liquidation Group
- GMEX IRS Constant Maturity Futures Liquidation Group

1.15 Eurex Clearing anticipates that banks, pension plans, asset managers and insurance companies that have a head office or principal place of business in Ontario may be interested in participating in its offerings listed in paragraph 1.9. Potential bank participants could be interested in becoming GCMs or DCMs. Pension plans, asset managers and insurance firms, among other institutions, could be interested in the Specific Lender License or the Specific Repo License. It is possible there could be further, other unanticipated interest.

1.16 An applicant to become a Clearing Member is required to have sufficient financial resources and operational capacity to meet the obligations arising from participation in Eurex Clearing. The admission requirements are set forth in the Clearing Conditions, which are available on Eurex Clearing's website. Eurex Clearing's participation requirements are non-discriminatory and objective so as to ensure fair and open access. The admission requirements do not limit access on grounds other than risk (*e.g.*, sufficient liable equity capital, compliance with technical requirements, and verification of the legal validity and enforceability of the Clearing Conditions). To become a GCM or DCM, an applicant must enter into a Clearing Agreement with Eurex Clearing. To become an NCM or RC of a Clearing Member that is disclosed to Eurex Clearing, an applicant must enter into a tripartite Clearing Agreement with Eurex Clearing and its Clearing Member.

1.17 Eurex Clearing's risk model, known as Eurex Clearing Prisma, is used for all exchange-traded derivatives and OTC products. Prisma is based on the view of each member's entire portfolio, accounting for hedging and cross-correlation

effects by determining the margin requirement on a portfolio level rather than a product-by-product view. The elements of the model are selected to ensure the ability to withstand new shocks and changes to the financial markets and to flexibly adapt to changes in the risk environment. Eurex Clearing Prisma integrates both a backward looking and a forward looking margin component. The backward looking component encompasses price alignment interest, variation margin and premium margin. The forward looking component encompasses liquidity risk, market risk based on filtered historical simulation, market risk based on stress scenarios, and model error add-on. A separate Risk Based Margining Method is used for equities, bonds, repos and securities lending; however, these products will be migrated to Prisma at some point in the future.

1.18 Eurex Clearing's clearing fund serves as a safeguard for the viability of the clearing system against Clearing Member defaults. Each Clearing Member has to contribute to the clearing fund. It consists of Clearing Members' direct deposited cash and securities . It is used for securing the counterparty risk in case of a default of a Clearing Member in case the provided margin deposits are not sufficient to cover all losses of Eurex Clearing. The clearing fund is separated into clearing fund segments (CFSs), whereby each liquidation group is assigned to a particular CFS. The size of each CFS depends on the exposure of the Clearing Members active in the liquidation group relative to the overall exposure of all Clearing Members.

1.19 Pursuant to the Interim Order, the Commission exempted Eurex Clearing from the requirement to be recognized as a clearing agency under section 21.2 of the Act in order that a bank listed in Schedule I of the *Bank Act* (Canada) (**Schedule I Bank**) could enter into an agreement for an Individual Segregated Account.

1.20 Eurex Clearing would provide its services to participants in Ontario without establishing an office or having a physical presence in Ontario or elsewhere in Canada.

1.21 Eurex Clearing submits that it does not pose a significant risk to the Ontario capital markets and is subject to an appropriate regulatory and oversight regime in a foreign jurisdiction.

AND WHEREAS Eurex Clearing has agreed to the respective terms and conditions as set out in Schedule "A" to this order;

AND WHEREAS based on the Application and the representations that Eurex Clearing has made to the Commission, the Commission has determined that granting an order to exempt Eurex Clearing from the requirement to be recognized as a clearing agency would not be prejudicial to the public interest;

AND WHEREAS Eurex Clearing has acknowledged to the Commission that the scope of and the terms and conditions imposed by the Commission attached hereto as Schedule "A" to this order, or the determination whether it is appropriate that Eurex Clearing continue to be exempted from the requirement to be recognized as a clearing agency, may change as a result of the Commission's monitoring of developments in international and domestic capital markets or Eurex Clearing's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the OSA, Eurex Clearing is exempt from the requirement to be recognized as a clearing agency under subsection 21.2(0.1) of the OSA;

PROVIDED THAT Eurex Clearing complies with the terms and conditions attached hereto as Schedule "A"

DATED this [•] day of [•], 2017.

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SCHEDULE "A"

Terms and Conditions

Definitions:

For the purposes of this Schedule "A":

"client clearing" means the ability of a Clearing Member to clear transactions on Eurex Clearing for and on behalf of a client.

Unless the context requires otherwise, other terms used in this Schedule "A" shall have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this order).

COMPLIANCE WITH ONTARIO LAW

1. Eurex Clearing will comply with Ontario securities law (as defined in the OSA) and, where applicable, Ontario commodity futures law (as defined in the *Commodity Futures Act* (Ontario)).

SCOPE OF PERMITTED CLEARING SERVICES IN ONTARIO

2. Eurex Clearing's activities in Ontario will be limited to the clearing of transactions described in subsections 1.9.1 to 1.9.6 of Eurex Clearing's representations set out above in this order (**Permitted Clearing Services**); and, for greater certainty, Eurex Clearing will not be permitted to provide clearing services in Ontario with respect to transactions described in subsection 1.9.7 above or any other derivatives under OSC Rule 91-506 *Derivatives: Product Determination* cleared by Eurex Clearing.

REGULATION OF EUREX CLEARING

3. Eurex Clearing will maintain its status as a CCP under EMIR and will continue to be subject to the regulatory oversight of BaFin or any successor, and, so long as Eurex Clearing remains a registered DCO with the CFTC or any successor, to the regulatory oversight of the CFTC or successor.

4. Eurex Clearing will continue to comply with its ongoing regulatory requirements as a CCP under EMIR, with the ongoing regulatory requirements of BaFin and, so long as Eurex Clearing remains a registered DCO with the CFTC, with the ongoing regulatory requirements of the CFTC.

GOVERNANCE

5. Eurex Clearing will promote within Eurex Clearing a governance structure that minimizes the potential for any conflict of interest between Eurex Clearing and its shareholders that could adversely affect the Permitted Clearing Services or the effectiveness of Eurex Clearing's risk management policies, controls and standards.

FILING REQUIREMENTS

Filings with BaFin

6. Eurex Clearing will provide staff of the Commission the following information, to the extent that is required to provide to or file such information with BaFin or its successor:

   (a) details of any material legal proceeding instituted against Eurex Clearing;

   (b) notification that Eurex Clearing has failed to comply with an undisputed obligation to pay money or deliver property to a Clearing Member for a period of thirty days after receiving notice from the Clearing Member of Eurex Clearing's past due obligation;

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

   (d) notification that Eurex Clearing has initiated its recovery plan;

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

(f) the entering of Eurex Clearing into any resolution regime or the placing of Eurex Clearing into resolution by a resolution authority; and

(g) material changes to its bylaws and rules where such changes would impact the Permitted Clearing Services used by Ontario residents (whether as a Clearing Member or otherwise).

Prompt Notice

7. Eurex Clearing will promptly notify staff of the Commission of any of the following:

(a) any material change or proposed material change in Eurex Clearing's status as a CCP under EMIR or in its regulatory oversight by BaFin or any successor or in its regulatory oversight by the CFTC or any successor;

(b) any material problems with the clearing and settlement of transactions that could materially affect the safety and soundness of Eurex Clearing;

(c) the admission of any new Clearing Member having a head office or principal place of business in Ontario (**Ontario Clearing Member**);

(d) the participation in Permitted Clearing Services by any new NCM, RC or Basic Clearing Member having a head office or principal place of business in Ontario (Ontario Non-Clearing Member);

(e) the granting of any new Specific Lender License or Specific Repo License to any participant having a head office or principal place of business in Ontario (**Ontario Lender/Repo Participant**, and, together with Ontario Clearing Members and Ontario Non-Clearing Members, collectively called "**Ontario Participants**" or individually "**Ontario Participant**")

(f) any event of default by, or removal from Permitted Clearing Services of, an Ontario Participant; and

(g) any material system failure of a Permitted Clearing Service utilized by an Ontario Participant including cybersecurity breaches.

Quarterly Reporting

8. Eurex Clearing will maintain and submit the following information to the Commission in a manner and form acceptable to the Commission on a quarterly basis within 30 days of the end of each calendar quarter, and at any time promptly upon the request of staff of the Commission:

(a) current lists of all Ontario Clearing Members, Ontario Non-Clearing Members and Ontario Lender/Repo Participants and the legal entity identifier (**LEI**), if any, of each such Ontario Participant;

(b) a list of all Ontario Participants against whom disciplinary or legal action has been taken in the quarter by Eurex Clearing with respect to activities at Eurex Clearing, or to the best of Eurex Clearing's knowledge, by BaFin or any other authority in Europe or the United States that has or may have jurisdiction with respect to the relevant Ontario Participant's clearing activities at Eurex Clearing, provided that the Commission will maintain the confidentiality of the identity of any such Ontario Participant, unless (i) required by a court of competent jurisdiction, law, regulation or memorandum of understanding with a regulatory authority to release such identity, (ii) disclosure is permitted or consistent with the purposes of the OSA, or (iii) such identity is publicly available;

(c) a list of all investigations by Eurex Clearing in the quarter relating to Ontario Participants, provided that the Commission will maintain the confidentiality of the identity of any such Ontario Participant, unless (i) required by a court of competent jurisdiction, law, regulation or memorandum of understanding with a regulatory authority to release such identity, (ii) disclosure is permitted or consistent with the purposes of the OSA, or (iii) such identity is publicly available;

(d) a list of all Ontario-resident applicants who have been denied Clearing Member, NCM, RC, Basic Clearing Member, Specific Lender or Specific Repo fund provider status in the quarter by Eurex Clearing, provided that the Commission will maintain the confidentiality of the identity of such applicant, unless (i) required by a court of competent jurisdiction, law, regulation or memorandum of understanding with a regulatory authority to release such identity, (ii) disclosure is permitted or consistent with the purposes of the OSA, or (iii) such identity is publicly available;

(e) quantitative information in respect of the Permitted Clearing Services used by Ontario Participants for transactions in the asset classes listed in paragraph 1.13, including in particular the following:

a. as at the end of the quarter, level, maximum and average daily open interest, number of transactions and notional value of transactions cleared during the quarter for each Ontario Participant;

b. the percentage of end of quarter level and average daily open interest, number of transactions and the notional value cleared during the quarter for all Clearing Members that represents the end of quarter and average daily open interest, number of transactions and the notional value of transactions cleared during the quarter for each Ontario Participant;

c. the aggregate initial margin amount required by Eurex Clearing ending on the last trading day during the quarter for each Ontario Participant;

d. the portion of the initial margin required by Eurex Clearing ending on the last trading day of the quarter for all Clearing Members that represents the initial margin required during the quarter for each Ontario Participant; and

e. the aggregate total margin amount required by Eurex Clearing ending on the last trading day during the quarter for each Ontario Participant;

(f) quantitative information in respect of the Permitted Clearing Services used by Ontario Participants for transactions in cash, securities lending and repo, including in particular the following:

a. as at the end of the quarter, the notional value of cash, securities lending and repo transactions for each Ontario Participant;

b. where applicable, the aggregate initial margin amount required by Eurex Clearing ending on the last trading day during the quarter for each Ontario Participant; and

c. where applicable, the portion of the initial margin required by Eurex Clearing ending on the last trading day of the quarter for all Clearing Members that represents the total margin required during the quarter for each Ontario Participant;

(g) the guaranty fund contribution, for each Ontario Clearing Member on the last trading day during the quarter, and its proportion to the total guaranty fund contributions;

(h) if known to Eurex Clearing, for each Clearing Member (identified by its LEI) offering client clearing to an Ontario resident (other than a NCM or RC) that seeks to use the Permitted Clearing Services through such Clearing Member, the identity of the Ontario resident client (including LEI, if any) receiving such services, and the value and volume cleared by asset class or transaction type during the quarter for and on behalf of each Ontario resident client; and

(i) a copy of all circulars published during the quarter that describe and show changes to the Clearing Conditions made during the quarter.

INFORMATION SHARING

9. Eurex Clearing will promptly provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission or its staff, subject to any applicable privacy or other laws that would prevent the sharing of such information and subject to the application of solicitor-client privilege.

10. Unless otherwise prohibited under applicable law, Eurex Clearing will share information relating to regulatory and enforcement matters and otherwise cooperate with other recognized and exempt clearing agencies on such matters, as appropriate.

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